1999 Annual Financial Report

The City of Montréal Annual Financial Report for the year ended December 31, 1999, was prepared by the*Service des finances et du contrôle budgétaire* and, in conformity with article 730 of the City Charter, was tabled before the city's*Service du greffe* on March 31, 2000.

The City of Montréal financial statements indicate that the revenue exceeded budget forecast by $37.8 million, while expenditures exceeded forecast by only $2.9 million. The financial statements were audited by the city auditor and two outside chartered accounting firms.

The complete document is available in PDF format. It may be downloaded in its entirety or in part. To do so, you must install**Adobe Acrobat Reader** () which will enable you to read or print the documents.

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SERVICE DES FINANCES ET DU CONTRÔLE BUDGÉTAIRE

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INTRODUCTION

MESSAGE FROM THE MAYOR

The results of the past fiscal year are certainly indicative of Montréal's strong economic recovery. In addition to the general climate of renewed confidence, the major economic indicators clearly confirm that the City is back on the road to prosperity, the benefits of which contribute, in particular, to the well-being of an ever-increasing number of Montrealers.

Through various budgetary and administrative measures, we pursued our objective to improve Montréal's competitiveness. Persevering with our budget vision has paid off as indicated by the 1999 results.

More specifically, Montréal's stronger economy has been the basis for renewed commercial activity which translated into higher revenues generated by rent tax imposed on occupants of commercial space. Such results certainly deserve special mention. In 1994, the value of vacant commercial space was $492 million and by the end of 1999, it had fallen to $362 million.

The year-end results show that our efforts were worthwhile and the means to achieve them were relevant; they are also an important motivational factor to continue on our course.

The Mayor,

Pierre Bourque

Montréal, March 31, 2000

MESSAGE FROM THE CHAIRMAN OF THE EXECUTIVE COMMITTEE

The results for fiscal 1999 provide a revealing snapshot of Montréal's continously improving economy as a result of tighter management practices. In fact, these results show that revenues for the year were $37.8 million higher than budgeted.

Tax revenues were higher than anticipated and actual expenditures were very close to those budgeted for the year.

The various credit rating agencies noted this improvement and changed the City's rating. The Canadian Bond Rating Service revised the outlook associated with an A+ rating from negative to stable and Moody's maintained Montreal's A2 rating.

Based on the past year's results, the outlook at the beginning of 2000 has certainly improved. Consequently, we can feel confident that our City will reach its potential and satisfied with the measures taken so far to achieve these results.

Chairman of the Executive Committee

Jean E. Fortier

Montréal, March 31, 2000

Political Structure

The Ville de Montréal (the City) is governed by a charter, as well as the legislation adopted by Québec's National Assembly. It is ruled by a City Council which has legislative power . The Executive Committee is responsible for the City's administration.

City Council

City Council is the City's ultimate decision-making authority. The Council's 51 members each represent one electoral district and are elected by popular vote every four years. Councillors adopt municipal by-laws and resolutions pertaining notably to the budget, the levying of tax, the three-year capital expenditure program, loans, the awarding of certain contracts, real estate transactions, zoning and traffic.

Executive Committee

The Executive Committee is responsible for the management and administration of the City's property, revenues and business. The Executive Committee is made up of the mayor and nine members of the Council. The members are appointed by Council on the mayor's recommendation. The Executive Committee prepares the annual budget and credit allocation reports to be tabled before City Council.

Any proposal submitted to City Council must first be approved by the Executive Committee. It approves the City's real estate transactions, authorizes calls for tenders and awards contracts within jurisdiction. The Executive Committee may exercise any powers expressly delegated to it by City Council.

Permanent Committees of the Council

The City Council passed a by-law to establish a permanent committee on finance and economic development called the Commission des finances et du développement économique and a permanent committee on administration and citizen services called the Commission de l'administration et des services aux citoyens.

Each permanent committee is made up of nine members of City Council, including the mayor, who is an ex officio member. Except for the mayor, members of the permanent committees are appointed by the City Council, on the mayor's recommendation, for a two-year term. The City Council also designates, for each of the permanent committees, a chairperson and vice-chairperson. The vice-chairperson is not a member of the party which has the majority of the city councillors.

Upon request by City Council, the permanent committees study the budget forecasts of municipal services and paramunicipal enterprises and of any other subject as may determine City Council. Following such studies, each permanent committee makes any recommendations it deems appropriate to City Council.

Director General

Under the City charter, the director general is the chief municipal officer of the City and has authority over all other municipal officers. The director general is in charge of City administration and, as such, is responsible for planning, organizing, managing and controlling the City's activities.

More specifically, the director general coordinates the preparation of the budget and three-year capital expenditure program, evaluates the City's competitiveness in terms of taxation, and prepares guidelines on the management of human, financial, technological and physical resources. The director general also analyzes periodic reports by departments on their activities and budgets.

Financial Information

1- ECONOMIC SITUATION

Similar to the past two years, Montréal's economy continued to grow in 1999. Most economic indicators improved. Companies invested heavily in the manufacturing industry, particularly aerospace and telecom equipment. The outlook for both these sectors remains excellent and this, in turn, should stimulate Montréal's economic growth.

Labour market conditions for Montrealers continued to improve, after having deteriorated compared with the Greater Montréal area in 1997. The employment rate rose from 49.2% in 1997 to 53.6% in 1999. Although Montréal's unemployment rate is still higher than the average in the Greater Montréal area, the gap dropped from 4.5% in 1997 to 2.2% in 1999, and continues to fall.

Residential sales, which have been rising since 1995, achieved their highest level in a decade. The demand for housing is still increasing on the island of Montréal. Condominium sales, essentially in the downtown area, increased the most. Housing construction and renovations, as well as industrial building starts, are boosting economic activity in the Greater Montréal area. The value of permits granted for residential and industrial projects in on the rise.

Two major non-residential projects stimulating the economy are the Cité internationale and Cité du multimédia. Part of the Cité internationale project involves plans to expand the Palais des congrès and build hotels. A number of projects have been announced in connection with the Cité du multimédia project, including those by Cognicase and Motorola, which will set up their software development facilities there.

Call centres, multimedia and the Cité internationale require office space. In two years, the vacancy rate in the downtown area has dropped by almost 5%, from 18.1% in August 1997 to 13.4% in August 1999. However, the vacancy rate is still too high for investors to consider putting up new buildings.

2- HIGHLIGHTS

Year 2000 Issue

Computer experts took the Year 2000 issue very seriously and the City spent some $11.6 million to ensure that the changeover took place without any major problems. All computer systems essential to ensure public services and the City's uninterrupted operations were certified in accordance with the requirements of the Year 2000 certification program, in keeping with the deadlines and planned credits. The results were successful throughout the City, where direct services to Montrealers were concerned, including water production, public safety as well as the road system and administrative services.

Electronic Exchanges over the Internet

The City has a wide range of data and systems related to taxation, the municipal court, permits, recreation and customer service. Access to these systems has always been restricted to City employees. Due to technological advances, our partners and citizens can now interact directly with each other and with our institutional systems.

For Montrealers, this means direct access to some of the City's services at more convenient times than those available at traditional customer service counters. For our partners, it means personalized access to value-added services that can be billed by the City.

The City is aware of the important role played by the new information technologies. It is currently developing new means of communication with its clientele and is improving the existing systems. As a result, the system called "Consultation informatisée sur la taxation et l'évaluation" (CITÉ) has been transferred to the City's Internet site for the benefit of businesspeople and real estate professionals. WEB access to such complete information is a first in Québec.

The City wishes to step up measures in order to benefit from the numerous advantages generated by e-commerce, particularly with respect to infraction payments.

2- HIGHLIGHTS (cont'd)

Economic development

The City would like to maximize Montréal's competitiveness and potential, giving it all the advantages of a dynamic and efficient metropolis to ensure its leadership role at the dawn of the millennium. By maintaining a critical mass and multidisciplinary experts to handle regulatory matters and the issuing of permits, it can ensure coherence, fairness, consistency and compliance with legal requirements. The City therefore created the Service du développement économique et urbain, by merging the services of Développement économique, des Permis et Inspections et de l'Urbanisme.

Its role is to support the economic forces, i.e. companies, business associations and merchant groups, and foster their growth, consolidate and create jobs and help them take charge of their projects. Due to our close cooperation with our partners, including the Montréal Urban Community's Office de développement économique, investment projects were solicited and numerous new projects were launched. Entrepreneurs and developers are now more aware of the advantages of setting up business in Montréal. These projects have generated investments of several million dollars.

It should also be pointed out that in 1999, the City supported a number of private and public projects including MEL'S STUDIO in the Technoparc's Cité du cinéma, DYETECH, an industrial dye company in Notre-Dame-de-Grâce, the Marriott Hotel in Old Montréal, Simons and the Famous Players theatre in the former Simpson's store as well as the revitalization of Sainte-Catherine Street and the planning and development of the Quartier international.

The City manages various programs such as the Programme de coopération industrielle de Montréal (PROCIM), Programme Opération Commerce (POC) and the revitalization program for vacant land in the downtown area.

Through PROCIM, the City granted $8 million in subsidies in 1999. A total of 24 projects received subsidies equal to 15% of the cost of eligible work and involved investments of over $65 million. Some major changes were made to this program last September. Subsidies will now be granted to the owners of buildings or industrial land in the form of tax credits. These tax credits will correspond to the increase in real estate taxes for a five-year period subsequent to the completion of the project. This will remain in effect until 2003.

Last June, as part of the POC, which subsidizes the construction, expansion and renovation of commercial buildings, the City administration approved the addition of four new areas i.e. part of Saint-Laurent Boulevard, part of Sherbrooke Street West, Chinatown and parts of Notre-Dame Street and Saint-Jean-Baptiste Boulevard in Pointe-aux-Trembles. In 1999, 180 projects were completed under this program with subsidies amounting to $5.8 million and investments totalling over $278 million.

Recreation and Culture

At first glance, the $257.4 million expenditure allocated to recreational, cultural and educational activities may seem very high and its relevance questioned. However, anyone who knows Montréal will realize the need is such that not only is it a necessary and justifiable expenditure, it is also essential. Recreation and culture play a major role in the quality of life in Montréal.

Taken in the broad sense, recreation includes sports activities which can serve as a key to breaking the vicious circle of poverty, e.g. reducing the number of school drop-outs, preventing certain health problems and promoting social integration.

Recreation is also important from an economic standpoint. The City's investments have a leveraging effect. For example, the City provides a number of organizations with financial support representing about 32% of their general budget, with the remainder derived from subsidies from the provincial and federal governments and from independent sources. Investing in recreation generates jobs, helps socio-economic development and provides numerous other economic benefits.

In the past year, the City contributed $12 million directly to sports, recreational and social development organizations. The pooling of resources and cooperation are essential in order to develop mixed programs which optimize our involvement with our clientele and the search for permanent solutions to social problems.

2- HIGHLIGHTS (cont'd)

With a view to providing the public with green space and facilities to improve their quality of life, a number of old parks were redeveloped. In addition, three wildlife sanctuaries were completed (Parc de la Merci, Promenade Gouin and Parc de la promenade Bellerive) in cooperation with the Fondation de la Faune du Québec. A preliminary study, financed by the City and its partners Bombardier, Tourisme Québec and the Association québécoise de l'industrie nautique, was performed for setting up a marina east of île Sainte-Hélène.

The City also plays a unique role in Québec culture. Through its 12 community art centres, 23 neigbourhood libraries, the Bibliothèque Centrale, Phonothèque, Bibliobus and Bibliocourrier, it operates the largest municipal culture-oriented network in North America. It acts as a contact point and supports organizations and artists in many ways by providing financial, technical and logistical assistance.

In 1999, in response to public demand, libraries were open on Saturdays and with the addition of 26 multimedia workstations, the City now has 131 such stations available to the public for free Internet and CD-ROM access.

Housing

Since 1997, the real estate market has been flourishing as a result of the economic recovery, renewed consumer confidence and low interest rates. Also, because an increasing number of young and older people are attracted once again by the advantages of city living, such as access to services and quality of life, more and more households are choosing Montréal.

In order to capitalize on the economic recovery and Montréal's popularity, the City has adopted a consistent strategy which targets several aspects of the residential market, including recycling, construction and renovation. Despite the tight budgets in recent years, it has invested regularly to ensure its strategy is carried out. The latest information gathered in the field and during research and development activities has been used to design programs which will have a direct impact on the housing situation in Montréal and protect Montrealers' interests in dealings with the government authorities who manage or develop housing programs.

Housing programs are necessary not only to preserve the built environment, but also to improve the quality of neighbourhood life, retain and attract residents and finally to consolidate Montréal's infrastructures and tax base. By participating in the programs offered by the federal and Québec governments and implementing its own programs, the City has worked hard to build a housing inventory that meets Montrealers' needs.

Under the program to revitalize central neighbourhoods, $8 million in subsidies was granted for residential renovations (536 housing units, including 223 in vacant buildings). Over 240 sheds were demolished and $1 million was allocated to improve safety in 800 units in 1999, which is twice as much as 1998. Subsidies in the amount of $0.9 million were awarded to restore the foundations of 130 buildings, about the same level of activity as last year. The City played an active role in changing the AccèsLogis program offered by the Société d'habitation du Québec. In 1999, new projects approved under this program included 350 housing units. Due to increased activity in the various programs, the value of renovation permits issued is estimated at approximately $34 million.

A new two-year real estate tax credit program for new home buyers is as popular as the one it is replacing, while being 25% less costly and easier to administer. More than 1,700 applications have been approved, representing financial commitments of $7.3 million.

Ice Storm

December 31, 1999 marked the end of the urban forestry program related to the ice storm. The Québec government contributed $20 million to the program, under which 8,000 trees were planted, including 1,000 in Mont-Royal Park, 6,000 on City streets and 1,000 in other parks. As part of the restoration program, 260,000 trees required pruning and 16,500 had to be cut down.

2- HIGHLIGHTS (cont'd)

Investments to improve service quality

Montrealers lead busy lives and personal and economic activities require basic, efficient services so that they can take full advantage of all their City has to offer. The quality of the infrastructures are the basis of urban development as is the quality of life in an urban environment. Investments for these purposes play an important role. A total of $29 million was invested to improve roads and sidewalks, thus making them safer for pedestrians and drivers. An additional $12 million was used to repair road structures.

Investments in the rehabilitation of water pipes and repairs to portions of the sewer system amounted to $5 million and $8.6 million, respectively. The City is also planning to build a main sewer in Rivière-des-Prairies at an estimated cost of $7.5 million.

The City is still concerned about environmental issues, as shown in particular through its joint investments with the Québec government. An amount of $30 million, $26 million of which will come from the government, has been allocated for land decontamination in the Montréal area. This project affects both public and private property. The project to build and improve the approaches to snow-dumping areas is continuing. With these additional facilities, the City will reduce the environmental effects associated with snow disposal. The Côte-des-Neiges and Saint-Michel eco-centres have given new life to the waste collection program, and the Blue Box program has been extended to 15,000 new housing units.

Investments of over $24 million have been made in public buildings. The City has also acquired the Experimental Farm in l'Assomption. This purchase will be very beneficial for the City since, at the price of $0.7 million, it will now have facilities and equipment that represented major investments by the federal government in 1994 (approximately $7 million). In addition to growing trees and bushes, the City will be a partner in a research centre.

3- RESULTS FOR 1999

Combined Statement of Revenues and Expenditures

(in thousands of dollars)

	1999		1998
	Budget	Actual	Actual
Revenues	1,974,444	2,012,242	2,014,086
Expenditures	1,978,076	1,980,970	1,998,196
Results before appropriations	(3,632)	31,272	15,890
Appropriations	3,632	5,618	(4,577)
Net income		36,890	11,313

Revenues for the year ended December 31, 1999 exceeded by $38 million the budget estimates adopted by the Municipal Council in December 1998. Due to the fact that there was less vacant commercial space, more activity in the construction industry than anticipated and more thorough monitoring of vacant buildings and commercial space, revenues from water, services and business taxes were $15 million higher than originally budgeted. Following the acknowledgement by the federal and Québec governments that their buildings are subject to the minimum rate for water and services as payment in lieu of taxes, an addtional amount of $11 million was recorded under revenues for the year.

The economic recovery had a positive impact on revenues from permits and real estate transfer taxes which posted a favourable variance of $7 million. Several aspects related to cash managment, such as more timely tax inflows and the deferral of year-end expenses and disbursements, generated $12 million more in interest income than budgeted.

Financial Information

Actual operating expenditures in 1999 were $3 million more than budgeted, which is relatively insignificant compared with total expenditures.

However, it is interesting to compare expenditures for the past five years. In 1995, operating expenditures totalled $2,031 million, compared with $1,981 million in 1999, i.e. a decrease of $50 million. Had it not been for the contribution to a special fund imposed by the Québec government on all municipalities since 1998, the City's operating expenses for that period would have been $97 million less. Also, if the impact of the 1998 ice storm is excluded from the 1999 results, expenditures would have been $112 million lower.

Every year, labour costs, financial expenses and the payment to the Montréal Urban Community represent nearly 80% of the operating expenditures. Since 1995, labour costs have decreased by $76 million, financial expenses by $15 million and payments to the MUC by $29 million.

The $37 million surplus for the year is attributable to the solid revenue performance. Most of the surplus has been appropriated to reserves for future expenditures, of which $18 million has already been earmarked for the 2000 budget. As at December 31, 1999, the reserves and surplus amounted to $87 million, compared with $62 million in 1998.

FINANCIAL REPORTING - FINANCIAL STATEMENTS

B

Responsibility for Financial Reporting

In accordance with Section 730 of the Charter, the annual financial report of the Ville de Montréal for the fiscal year ended December 31, 1999 was prepared by the Director of the Service des finances et du contrôle budgétaire and filed with the Service du greffe de la Ville on March 31, 2000.

The financial statements in this report were prepared taking into consideration the Charter of the Ville de Montréal and certain specific points related to municipal accounting, as described in Note 2 herein.

To assess certain facts and operations, the Municipal Administration has made estimates based on its best appreciation of the situation and taking into account the materiality of items. Supplementary financial information and statistics contained in this annual financial report are consistent with the information presented in the financial statements.

The Municipal Administration is responsible for maintaining appropriate internal control and accounting systems which provide reasonable assurance that the policies of the City are followed, that its operations are carried out with the appropriate authorizations, that its assets are adequately safeguarded and that its financial statements are based on reliable accounting records.

City Council exercises all the powers of the City, while the Executive Committee sees to the day-to-day administrative matters. City Council has also set up two permanent committees, which are responsible for all matters referred to them.

The financial statements were audited by the City Auditor and by two firms of external auditors whose services were retained by City Council.

Guy Coulombe
Director General and
Interim Director of
Service des finances et du contrôle budgétaire

Montréal, March 31, 2000

Ville de Montréal

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Direction

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Report of the City Auditor, Ville de Montréal

To the Mayor,
the Chairman and members of the Executive Committee and
the members of the Council of the Ville de Montréal.

In accordance with the provisions of section 733 of the City Charter, I have audited the combined balance sheet of the Ville de Montréal as at December 31, 1999 and the combined statements of revenues and expenditures, taxpayers' equity and cash flows for the year then ended. These financial statements are the responsibility of the Municipal Administration. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Municipal Administration, as well as evaluating the overall financial statement presentation.

In my opinion, these combined financial statements present fairly, in all material respects, the financial position of the City as at December 31, 1999 and the results of its operations and cash flows for the year then ended in accordance with the accounting principles described in Note 2.

Guy Lefebvre, CA

City Auditor

Montréal, March 31, 2000

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Auditors'Report

To the Mayor,
the Chairman and members of the Executive Committee and
the members of the Council of the Ville de Montréal.

We have audited the combined balance sheet of the Ville de Montréal as at December 31, 1999 and the combined statements of revenues and expenditures, taxpayers' equity and cash flows for the year ended and have obtained all the information and explanations we have required. These financial statements are the responsibility of the Municipal Administration. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Municipal Administration, as well as evaluating the overall financial statement presentation.

In our opinion and according to our understanding of the information and explanations given to us and as shown by the books of the City, these combined financial statements are drawn up so as to present fairly, in all material respects, the true and correct view of the affairs of the City as at December 31, 1999 and the results of its operations and cash flows for the year then ended in accordance with the accounting principles described in Note 2.

Alain Trudeau, CA
Ernst & Young LLP
Chartered Accountants

G. André Harel, FCA
Harel Drouin Gallant Dupuis
General Partnership
Chartered Accountants

Montréal, Canada
March 31, 2000

Combined Balance Sheet
As at December 31

(in thousands of dollars)

	Notes	1999	1998
ASSETS			
Current			
Cash and investments		164 753	53 372
Investments – Sinking Fund	*(4)*	131 780	148 454
Accounts receivable	*(5)*	168 819	252 154
Inventory		10 718	10 423
		476 070	464 403
Long-term			
Investments	*(4)*	48 396	43 267
Investments – Sinking Fund	*(4)*	686 485	595 356
Advances and loans to paramunicipal corporations and subsidiary	*(6a)*	81 325	81 301
Real estate assets intended for sale		55 131	47 605
Capital assets	*(7)*	4 147 297	4 621 053
Deferred charge		2 760	3 842
		5 497 464	5 856 827
LIABILITIES			
Current			
Bank overdraft	*(8)*	23	13 369
Accounts payable, provisions and accrued liabilities	*(9)*	331 313	278 206
Current portion of long-term debt	*(10)*	209 976	127 774
		541 312	419 349
Long-term			
Deferred revenues		86 942	88 059
Debt	*(10)*	2 471 180	2 576 063
Pension plan obligations	*(11)*	1 579 300	1 640 700
		4 678 734	4 724 171
TAXPAYERS' EQUITY			
Surplus		11 000	8 954
Reserves		75 954	53 035
Excess – Internal Service Fund		114 698	15 652
Reserved funds		5 714	4 146
Net equity in long-term assets		2 271 098	2 776 841
Amount to be provided	*(12)*	(1 659 734)	(1 725 972)
		818 730	1 132 656
Commitments and contingent liabilities	*(15)*		
		5 497 464	5 856 827

See accompanying notes

Combined Statement of Revenues and Expenditures
Year ended December 31

(in thousands of dollars)

	Note	1999 Budget	1999 Actual	1998 Actual
Revenues				
Taxes		1 336 436	1 354 068	1 322 574
Payments in lieu of taxes		201 623	212 199	208 880
Services provided to municipal agencies		26 660	27 794	26 005
Other services provided		108 781	104 344	105 121
Other revenues		193 031	209 692	216 368
Transfers		107 913	104 145	135 138
		1 974 444	2 012 242	2 014 086
Expenditures				
General administration		247 331	251 205	232 174
Public safety		392 195	391 668	449 899
Transportation		335 943	336 580	316 970
Environmental health		165 279	181 569	173 833
Health and welfare		67 059	65 127	65 105
Urban development and improvement of the territory		111 945	113 816	114 980
Recration and culture		294 391	282 913	258 182
Financial support	*(13)*	317 101	311 260	340 221
Contribution to special fund for local activities		46 832	46 832	46 832
		1 978 076	1 980 970	1 998 196
Results before appropriations		(3 632)	31 272	15 890
Appropriations				
Working Capital Fund			255	(24)
Capital Expenditure Fund		(8 293)	(17 614)	(18 508)
Surplus		1 089	1 089	1 778
Reserves		10 836	10 836	5 741
Excess – Internal Service Fund			11 052	6 436
		3 632	5 618	(4 577)
Net income			36 890	11 313

See accompanying notes

Combined Statement of Taxpayers' Equity

Year ended December 31

(in thousands of dollars)

Surplus	1999	1998
Balance, beginning of year	8 954	9 571
Add		
Net income for the year	36 890	11 313
Cancellation of appropriations from prior years	438	835
	37 328	12 148
Deduct		
Appropriations to income	1 089	1 778
Appropriations to reserves	34 193	10 987
	35 282	12 765
Balance, end of year	11 000	8 954

(in thousands of dollars)

		Deduct		Add		
Reserves	**Balance as at 12-31-1998**	**Used**	**Cancelled appro-priations**	**Appro-priations**	**Other**	**Balance as at 12-31-1999**
Contingencies	31 411	1 061		1 000		31 350
Next year's budget				18 000		18 000
Future operating expenditures	10 530	8 069	438	14 369		16 392
Paramunicipal corporations	4 500					4 500
Fringe benefits	3 773					3 773
Future capital expenditures	1 820	1 477		824		1 167
Partnership	707	229				478
Investments	294					294
	53 035	10 836	438	34 193		75 954

(in thousands of dollars)

Excess - Internal Service Fund	Note	1999	1998
Balance, beginning of year			
As previously reported		15 652	22 088
As restated	(3)	110 098	
Balance restated		125 750	22 088
Add			
Repayment of long-term debt		28 616	3 555
Contribution to Capital Expenditure Fund		4 053	1 599
		32 669	5 154
Deduct			
Amortization		43 367	11 120
Net book value of assets transferred		354	470
		43 721	11 590
Balance, end of year		114 698	15 652

See accompanying notes

Combined Statement of Taxpayers' Equity (Continued)

Year ended December 31

(in thousands of dollars)

Reserved Funds	Balance as at 12-31-1998	Deduct: Used	Deduct: Cancelled appropriations	Add: Appropriations	Add: Other	Balance as at 12-31-1999
Parks and playgrounds	3 438	385			1 835	4 888
Parking areas	708				118	826
	4 146	385			1 953	5 714

(in thousands of dollars)

Net Equity in Long-Term Assets	Note	1999	1998
Balance, beginning of year			
As previously reported		2 776 841	2 658 933
As restated	(3)	(632 270)	
Balance restated		2 144 571	2 658 933
Add			
Contribution to Sinking Fund		185 915	193 455
Acquisitions out of subsidies and other sources		12 812	32 962
Repayment of long-term debt		19 678	22 122
Contribution to Capital Expenditure Fund		17 614	18 508
Underground Conduits Fund – Surplus – Early Retirement Fund		93	
Long-term debt			66 246
		236 112	333 293
Deduct			
Write-off of capital assets		55 406	60 542
Contributions to the Sinking Fund for amortized capital assets		32 616	7 555
Disposal of capital assets		4 816	113 708
Contribution to provision for foreign exchange fluctuations		1 801	1 652
Balance of loan by-law closed recorded in the Sinking Fund		8 018	17 593
Provision for devaluation			12 572
Operating expenditures financed through borrowings		6 889	1 753
Repayment of long-term loans		39	10
		109 585	215 385
Balance, end of year		2 271 098	2 776 841

See accompanying notes

Combined Statement of Cash Flows
Year ended December 31

	Notes	1999	1998
		(in thousands of dollars)	
Operating activities			
Results before appropriations		31 272	15 890
Results – Working Capital Fund		255	(24)
Operating expenditures financed through borrowings		(6 889)	(1 753)
Financing and investment items charged to results			
Disposal of capital assets		(2 673)	(8 662)
Repayment of long-term debt		19 678	22 122
Contribution to Sinking Fund		145 281	168 307
Advances and loans to paramunicipal corporations		(39)	(10)
		186 885	195 870
Items not affecting cash			
Amortization of capital assets		50 751	16 002
Amortization of deferred charge		1 082	
Amortization of deferred revenues		(5 387)	(6 047)
Provision for capital loss and investment write-off			26 065
		233 331	231 890
Net change in other current items	*(14b)*	135 928	(38 154)
		369 259	193 736
Financing activities			
Proceeds from the issuance of long-term debt		221 881	200 000
Bond redemption by refinancing		(110 168)	(84 709)
Bond redemption by the Sinking Fund		(107 575)	(172 008)
Repayment of long-term debt		(19 678)	(22 122)
		(15 540)	(78 839)
Investing activities			
Investment acquisitions		(185 915)	(193 455)
Disposal of investments		109 715	173 849
Advances and loans to paramunicipal corporations and subsidiary		(24)	(66 236)
Real estate asset acquisitions		(10 650)	
Capital asset acquisitions		(156 621)	(164 552)
Disposal of capital assets		7 298	77 736
Deferred charge			(3 842)
Subsidies, promoters' contributions and other		12 812	32 962
Reserved funds		1 568	268
		(221 817)	(143 270)
Increase (decrease) in cash and cash equivalents		131 902	(28 373)
Cash and cash equivalents, beginning of year	*(14a)*	31 021	59 394
Cash and cash equivalents, end of year	*(14a)*	162 923	31 021

See accompanying notes

Notes and Schedules to Financial Statements
December 31, 1999

1- GOVERNING STATUTE

The Ville de Montréal (the City) is a municipal corporation organized and existing under the laws of the Province of Québec and, specifically, under the charter of the Ville de Montréal (1959-1960, chapter 102 and amendments). It is governed by a council and an executive committee. The City is responsible for municipal activities of a local nature.

2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

a) Combined financial statements

According to usual municipal accounting practices, the City records its transactions in different funds and statements. The Funds and statements are used to administer and control the resources acquired and debt assumed to carry out the City's activities in accordance with certain regulations and restrictions. A fund may contain assets, liabilities and net equity, revenues and expenditures and have its own accounting policies and practices.

In its combined financial statements, the City presents the transactions that have been recorded in the various funds and statements. Interfund transactions and balances have been eliminated. Any amounts that are subject to certain regulations are presented separately.

Furthermore, in accordance with its charter, the City has set up paramunicipal corporations, which are non-profit organizations that the City controls, either by appointing the members of the board of directors, or by approving the budgets or contributing to balancing their operating budgets. The financial statements of the paramunicipal corporations and subsidiary are not combined or consolidated with those of the City.

The funds and statements included in the combined financial statements are:

I) Municipal funds and statements

General Fund

The General Fund is used to record the current operations of the City, as well as the assets and liabilities related thereto.

Working Capital Fund

The Working Capital Fund is used to record all transactions related to the issuance of Treasury bills of notes for temporary financing for an amount not exceeding 10% of the credits provided for in the current year's budget.

Sinking Fund

The Sinking Fund is used to record transactions made in respect of amounts accumulated for future repayment of long-term loans, the terms and conditions of which do not require annual repayments.

The amortization of such loans is achieved by making payments into the Sinking Fund so that the principal amount of these loans will be fully amortized during a period not exceeding the matury date of these loans and the maximum term of their refinancing.

In order to provide for foreign exchange fluctuations at the time of the maturiy of loans issued in foreign currency, instalments are paid to the Sinking Fund at the current foreign exchange rate rather than at the historical rate and if, for each loan, the amount accumulated in the Sinking Fund is less than what it should be based on the exchange rates in effect at year-end, the provision for foreign exchange fluctuations is increased by an additional contribution from the General Fund to the Sinking Fund in each year commencing in the following year until the maturity of the loan. Any contribution in excess of the amount credited to the provision for the redemption of bonds is shown under the provision for foreign exchange fluctuations.

Any loan surplus is transferred directly into the fund upon the closing of the loan by-laws.

2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (continued)

Capital Expenditure Fund

The Capital Expenditure Fund is used to record and control capital expenditures and other transactions approved by loan by-laws. Temporary financing, when necessary, is provided by advances from the General Fund, the Working Capital Fund or the Sinking Fund.

Statement of Long-Term Assets

Except for capital assets from the Saint-Michel Environmental Complex Fund, Underground Conduits Fund, Rolling Stock and Workshops Fund and Properties Fund, the statement of long-term assets is used to record the capital assets acquired by the City through its Capital Expenditure Fund, real estate assets acquired for non-payment of taxes and property leased under capital leases. Loans and long-term advances to paramunicipal corporations and subsidiary financed by loan by-laws are also shown in this statement.

Statement of Long-Term Debt

The statement of long-term debt is used to record the long-term loans contracted by the City and to identify the repayment basis for this debt.

A portion of the long-term loans contracted by the City is, at maturity, recovered from the Government of Québec and other municipalities of the Communauté urbain de Montréal. The amounts recoverable are accounted for in the statement of long-term debt.

ii) Municipal enterprise funds

Saint-Michel Environmental Complex Fund

The Saint-Michel Environmental Complex Fund is used to record the financial transactions related to receiving and burying solid waste at the site of the former Miron quarry.

Underground Conduits Fund

The Underground Conduits Fund is used to record the financial transactions related to the construction, maintenance and administration of an underground conduits system within its territorial boundaries. The administration of the municipal network of underground conduits was delagated to the Commission des services électriques which was created by the City on June 27, 1910 pursuant to special legislation of the Government of Québec. However, the power to borrow funds or manage financial ressources was not granted to the Commission.

The City determines the annual fees payable by the conduit users to cover the administration, maintenance and financing costs of its underground conduits.

Scientific Equipment Fund

The Scientific Equipment Fund is used to record transactions related to operating the Botanical Garden, the Planetarium and the Biodome. Since December 17, 1998, the City manages this equipment as an agent.

Income Security Management Fund

The Income Security Management Fund is used to record transactions regarding agreements between, on the one hand, the City and the ministère de la Solidarité sociale, and on the other, between the City, the ministère de la Santé et du Service social and the Régie régionale de Montréal-centre. These agreements involve the City's administration of income security programs, organization of public services related to employment and community health.

2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (continued)

iii) Internal Service Funds

Rolling Stock and Workshops Fund

The Rolling Stock and Workshops Fund is used to record the operations related to the use of vehicles and small tools by municipal departments.

Properties Fund

Effective from January 1, 1999, the Properties Fund is used to record operations related to the use of property and various facilities by municipal departments.

b) Accounting method

Transactions are recorded using the accrual basis of accounting. The accrual basis of accounting recognizes revenues and expenditures in the period in which they occur, regardless of whether there has been a receipt or a payment.

However, certain specific transactions are recorded using the cash basis of accounting: interest income on investments and accounts receivable, interest expense on long-term debt and charges relating to pension plans, vacations and sick leaves. In addition, court claims are charged to income when these claims are settled or when an unfavourable decision is rendered.

Furthermore, liabilities related to pension plans and to sick leaves and vacations which are financed from future budgets are shown on the balance sheet. The counterpart to these liabilities is shown in taxpayers' equity, in the item called "amount to be provided".

c) Capital assets

Capital assets are recorded at historical cost plus the discount and issuance of long-term loans and some temporary financing costs. Capital assets are not amortized, except for those in the Saint-Michel Environmental Complex Fund and the Internal Service Funds.

Furthermore, subsidies and contributions from third parties related to the purchase of capital assets that have not been amortized are recorded in the item "Net equity in long-term assets". So as not to present capital assets indefinitely in the statement of long-term assets, only acquisitions of the last 40 years are included therein (five years in the case of movable property).

Capital assets in the Saint-Michel Environmental Complex Fund and the Internal Service Funds are amortized according to the following methods, periods and rates:

	Method	Period	Rate
Saint-Michel Environmental Complex Fund:			
Movable property	straight-line	5-20 years	
Public buildings and worksites	straight-line	4-20 years	
Internal Service Funds			
Movable property	diminishing balance		10%-55%
Public building and worksites	straight-line	25 years	

d) Deferred charges

Deferred charges, consisting of electoral expenses, are recorded at cost and amortized on a straight-line basis over a period of four years.

3- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (continued)

e) Foreign currency translation

Revenues and expenditures resulting from transactions in foreign currencies are translated into Canadian dollars using the rates prevailing on the transaction date.

Investments and loans foreign currencies are translated using the exchange rates prevailing on the balance sheet date. Debt subject to a currency hedge (swap) is translated using the exchange rates set under the terms and conditions of the hedging instrument.

The repayment of loans and payments to the Sinking Fund relating to loans denominated in foreign currencies are translated using the exchange rates prevailing at the transaction date. Gains and losses resulting from the difference between the historical foreign exchange rate and the foreign exchange rate in effect at the date of repayment or payment are charged to revenues and expenditures.

The difference between gains and losses resulting from the translation of monetary items at the rate prevailing on the balance sheet date, and exchange gains and losses already accounted for in the statement of revenues and expenditures is included in taxpayers' equity, in the item called "amount to be provided".

f) Investments, advances and loans

Investments, advances and loans are recorded at cost and advances and loans to paramunicipal corporations and subsidiary are recorded at the lower of cost and net recoverable value. Discounts or premiums pertaining to investments are amortized on a straight-line basis up to their maturity date. The amounts accumulated in investments - Sinking Fund are restricted to the repayment of long-term loans which do not require annual repayments.

g) Inventory

The inventory is valued at average cost.

h) Provision for discounts and bond issue expenses

The provision for discounts and bond issue expenses is the counterpart of the charges to capital expenditures for certain financial expenses to be incurred. At the time of the financing or refinancing of these expenses, discounts related to the sale of bonds and other issue expenses are written off against this provision.

i) Provision for contested taxes

The provision for contested taxes is an estimate of principal and interest reimbursements which may result from court decisions related to contested real estate valuations of rental values and to contested classifications under the *Act respecting Municipal Taxation*.

j) Deferred revenues

Upon the disposal of a capital asset shown in the statement of long-term assets, the portion of the proceeds of disposal is shown as deferred revenues up to a maximum of the balance of the debt related to the loan by-law while the proceeds of disposal exceeding the balance of debt are recorded in the combined statements of revenues and expenditures. Such deferred revenues are amortized on a straight-line basis over the remaining number of years of the loan by-law. Deferred revenues from the sale of a franchise are amortized on a straight-line basis over the term of the related agreement.

k) Reserves

The City may use its accumulated surplus to create reserves for various purposes.

Notes and Schedules to Financial Statements (Continued)
December 31, 1999

3- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (continued)

l) Excess – Internal Service Funds

The method for recording capital expenditures from the Internal Service Funds is different from the one used for taxation purposes. Differences resulting from the different methods are presented separately under the item "Excess - Internal Service Funds" as part of taxpayers' equity. To present the cumulative results on a tax basis, the difference in this excess is allocated in the statement of revenues and expenditures as an appropriation.

m) Reserved funds

In accordance with the charter of the Ville de Montréal, certain amounts received by the City must be appropriated to special accounts of the General Fund, namely reserved funds for parks and playgrounds and for parking areas. These amounts cannot be used other than for the specific purposes of these special accounts.

n) Appropriations

Appropriations represent the sources and uses of funds involving another fund, the surplus (deficit) accounts and reserves. Appropriations do not constitute operating revenues or expenditures.

o) Financial support

Loan repayments and payments to the Sinking Fund relating to loans other than those of the Saint-Michel Environmental Complex Fund and the Internal Service Funds are part of financial support as well as interest paid.

p) Operating expenditures financed through borrowings

Operating expenditures financed through borrowings, such as contributions to paramunicipal corporations, are deducted from net equity in long-term assets.

q) Pension costs and obligations

Pension costs and obligations of the pension plans offered by the City are determined through actuarial valuations based on actuarial assumptions as well as the most probable assumptions according to the municipal administration. The plans' assets are valued based on the average market value determined over a three-year period.

The cost of benefits resulting from current service pension plans is determined using the projected benefit method pro rated on service, taking into account projected salaries. According to this method, the actuarial liability is equal to the value of accumulated benefits for credited service at the date of valuation and contributions for current service are equal to the value of benefits accumulating in the year.

Costs resulting from changes to the pension plans and agreements to wind up the former pension plans are recognized according to the actuarial estimate of the amounts that are to be paid annually.

r) Closure and post-closure costs

For an estimated period of 20 years, the City will assume closure and post-closure costs for the controlled sanitary landfill of solid waste on sites that it has operated. These costs equal the present value of the recovery, control and maintenance expenses of biogas and leaching waters system, net of the present value of the interest calculated on the amounts recorded in previous years. These estimated costs are recognized based on the sanitary landfill capacity already used.

Assumptions regarding the calculation of these costs are reviewed on a regular basis to take into account the progress made in the management of sanitary landfill of solid waste.

Notes and Schedules to Financial Statements (Continued)
December 31, 1999

2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (continued)

s) Presentation of expenditures

Expenditures, grouped by function, are divided as follows:

- general administration: cost of legislative, executive and legal services, administrative, financial and human resources management as well as bad debt expenses;
- public safety: costs related to the protection of persons and property;
- transportation: costs related to the maintenance of sidewalks and roads, lighting systems and snow removal, as well as activities related to public transit and traffic;
- environmental health: operating and maintenance costs related to the aqueduct and sewer systems, as well as garbage treatment;
- health and welfare: health care costs;
- urban development and improvement of the territory: costs related to urban economic development activities;
- recreation and culture: costs related to the operation of librairies, community art centres, arenas, pools and parks;
- financial support: costs related to debt;
- contribution to special fund for local activities: transfer costs imposed by the Government of Québec.

t) Measurement uncertainty

The preparation of these financial statements requires that the municipal administration formulate assumptions and make estimates which affect the amounts reported.

3- CHANGE IN ACCOUNTING POLICY

As of January 1, the capital assets presented in the Properties Fund are amortized. Consequently, loan repayments and payments to the Sinking Fund are no longer recorded as an expense. The change in accounting policy, which applies retroactively without any adjustment to prior financial statements, affected the following items on January 1, 1999:

Net book value of capital assets	($522.2 million)
Excess - Internal Service Funds	$110.1 million
Net equity in long-term assets	($632.3 million)

The change in accounting policy reduced results before appropriations for the year by $10.6 million, which reprensents an increase in the amortization of capital assets of $32.1 million and a reduction in financial support of $21.5 million.

Notes and Schedules to Financial Statements (Continued)
December 31, 1999

4- INVESTMENTS
(in thousands of dollars)

	1999			1998
	Sinking Fund	Other Funds	Total	Total
Term deposits and other securities	104,706	158,669	263,375	101,844
Bonds	700,559	30,110	730,669	704,175
Debentures		20,000	20,000	20,000
Shares (1)	13,000		13,000	13,000
	818,265	208,779	1,027,044 (2)	839,019
Less: Current portion	131,780	160,383	292,163	200,396
	686,485	48,396	734,881	638,623

(1) including the shares of Société de gestion Marie-Victorin at a cost of $1.
(2) quoted market price of 1,036,955 (889,277 in 1998).

The cost of City bonds held as investments by the Sinking Fund amounts to $99.2 million ($90.4 million in 1998). Revenues generated by the Sinking Fund investments, totaling $52.6 million ($58.0 million in 1998), are deducted from financial support expenditures. Other investment revenues amount to $19.1 million ($13.2 million in 1998) and they are shown with other revenues.

Investments in foreign currencies, translated at the exchange rates prevailing on the balance sheet date, amount to $18.5 million ($46.7 million in 1998). The exchange gain on these investments is $1.7 million ($5.6 million in 1998).

Shares excluded, the investments held by the City mature as follows:

	2000	2001	2002	2003	2004	Over 5 years	Total
Term deposits and other securities	257,291			5,991		93	263,375
Bonds	34,872	106,909	75,573	166,147	119,730	227,438	730,669
Debentures						20,000	20,000
	292,163	106,909	75,573	172,138	119,730	247,531	1,014,044
Average nominal interest rate	5.43%	8.87%	8.31%	7.32%	7.09%		

5- ACCOUNTS RECEIVABLE
(in thousands of dollars)

	1999	1998
Taxes	58,346	65,139
Payments in lieu of taxes	21,852	26,242
Services provided and other revenues	88,621	160,773
	168,819	252,154

An allowance for doubtful accounts of $63.1 million ($74.5 million in 1998) has been deducted from accounts receivable.

6- PARAMUNICIPAL CORPORATIONS AND SUBSIDIARY

Paramunicipal corporations are non-profit entities incorporated under the Charter of the City. Although the Corporation d'habitations Jeanne-Mance and the Office municipal d'habitation de Montréal were respectively created under Bill 5-6 Elizabeth II and the Société d'habitation du Québec Act, the City considers them as paramunicipal corporations.

The activities of each of the operating corporations can be summarized as follows:

Corporation d'habitations Jeanne-Mance (CHJM)

To manage a low-cost housing project. The Canadian Mortgage and Housing Corporation funds 75% of CHJM's deficit. The City funds the remaining deficit.

Institut de recherche en biologie végétale de Montréal (IRBV)

To promote and carry out research projects in the fields of plant biology and horticulture. To promote the development of the expertise of highly qualified researchers and to facilitate the disclosure and use of knowledge in these fields.

Office municipal d'habitation de Montréal (OMHM)

To house low-income individuals in the territory of the City in multiple-dwelling units it builds and manages or in housing units owned by third parties. The Société d'habitation du Québec funds 90 % of OMHM's deficit. The City funds the remaining deficit.

Société de développement de Montréal (SDM)

To acquire, renovate, restore, build, demolish, sell, rent or manage residential, industrial, commercial or cultural buildings in the territory of the City and, at the City's request, administer subsidy programs related to these buildings. The corporation may also save, restore, renovate or rehabilitate buildings of historical or architectural interest and implement any agreements between the Government of Québec and the City regarding the development of the historical district of Old Montréal.

Société d'habitation et de développement de Montréal (SHDM)

To acquire, renovate, restore, build, demolish, sell, rent or manage buildings in the territory of the City.

Société du parc des Îles (SPI)

To operate recreational, cultural and tourist activities on Île Sainte-Hélène and Île Notre-Dame in Montréal.

Société de gestion Marie-Victorin (SGMV)

Created under the Act respecting certain facilities of Ville de Montréal (Bill 447), this subsidiary uses certain scientific equipment acquired from the City. According to an agreement signed on December 17, 1998, the City will manage this equipment as an agent for a maximum of five years.

Procedures for the dissolution of the Société du Palais de la civilisation (SOPAC) are currently under way.

Notes and Schedules to Financial Statements (Continued)
December 31, 1999

6- PARAMUNICIPAL CORPORATIONS AND SUBSIDIARY (continued)

a) Advances and long-term loans
(in thousands of dollars)

	1999			1998
	Advances of working capital (1)	Loans	Total	Total
OMHM		7,332 (2)	7,332	7,370
SGMV		66,451 (3)	66,451	66,246
SOPAC	42		42	185
SPI	7,500		7,500	7,500
	7,542	73,783	81,325	81,301

(1) Interest-free advances, no terms of repayment.
(2) Interest-free loan maturing from 2020 to 2033.
(3) Interest-free loan maturing in 2003.

b) Contributions and subsidies
(in thousands of dollars)

Under various agreements, the City grants contributions and subsidies to the paramunicipal corporations as follows:

	1999	1998
CHJM	625	570
IRBV	50	50
OMHM	8,571	7,428
SDM		858
SGMV	45	
SHDM	2,773	3,091
SPI	6,809	6,759
	18,873	18,756

c) Exchanges of goods and services

In addition to the current operations reflected on the books of the corporations and the City, the City supplies various goods and services to the corporations:

CHJM: The land and building, owned by the City and the Canada Mortgage and Housing Corporation, are leased to the corporation for $1 and other considerations.

SDM: The corporation rents properties from the City, under an emphyteutic lease, for annual lease payments of $302.

SPI: Under and agreement signed on January 17, 1985, no consideration is given to the City for the use of buildings, installations, fixtures and equipment found on the site at the time the agreement was signed.

In addition, as an agent, the City manages the Société de gestion Marie-Victorin's equipment for an annual consideration of $1,000.

Notes and Schedules to Financial Statements (Continued)
December 31, 1999

7- CAPITAL ASSETS
(in thousands of dollars)

	1999	1998
Movable property	91,267	91,721
Properties acquired for non-payment of taxes	2,750	3,235
Aqueduct, reservoirs and filtration plants	422,193	604,251
Sewers	362,767	360,099
Underground conduits	535,746	529,530
Streets, sidewalks, public roads, bridges and tunnels	1,270,926	1,217,878
Public buildings and worksites	359,760	712,196
Miscellaneous acquisitions	175,042	164,518
Parks and playgrounds	329,013	323,718
Urban renewal and development	149,016	149,183
Carrefour des Îles	34,386	34,385
Biosphère	17,429	17,429
Île Notre-Dame and enlargement of Île Sainte-Hélène	64,856	64,856
Local improvements	327,297	342,250
Assets under capital leases	4,849	5,804
	4,147,297	4,621,053

Capital assets of the Saint-Michel Environmental Complex Fund and of the Internal Service Funds are amortized. As at December 31, 1999, the total cost of these Funds' capital assets amounted to $1,150.7 million ($229.0 million in 1998) and accumulated amortization amounted to $708.3 million ($145.4 million in 1998). Amortization expense of $50.8 million ($16.0 million in 1998) was charged to the statement of Revenues and Expenditures for the year.

An amount of $3.0 million ($3.0 million in 1998) for discount and long-term debt issue expenses, for temporary financing expenses and for some operating expenses related to the underground conduits system was added to the capital assets acquisition cost. In addition, an amount of $55.4 million ($60.5 million in 1998) was written off.

8- BANK OVERDRAFT

The City has demand credit facilities with various banking institutions for a maximum of $185.0 million. Under these arrangements, amounts may be withdrawn in Canada or U.S. funds at variable rates based on the Canadian or U.S. prime rates, the LIBOR or bankers acceptance rates.

9- ACCOUNTS PAYABLE, PROVISIONS AND ACCRUED LIABILITIES
(in thousands of dollars)

	1999	1998
Accounts payable and accrued liabilities	257,353	220,049
Provision - Contested taxes	31,957	30,719
Provision - Closure and post-closure costs	18,686	20,943
Provision - Paramunicipal corporations	17,300	
Provision - Discounts and issue expenses	6,017	6,495
	331,313	278,206

Notes and Schedules to Financial Statements (Continued)
December 31, 1999

10- LONG-TERM DEBT
(in thousands of dollars)

	1999	1998
Gross bonded debt (schedule 5)		
Chargeable to taxpayers	1,432,119	1,488,921
Amounts provided by the Sinking Fund	841,561	767,955
Recoverable from third parties	402,293	441,607
	2,675,973	2,698,483
Obligations under capital leases at rates ranging from 6.71% to 7.15%	5,183	5,354
	2,681,156	2,703,837
Less: Current portion of long-term debt	209,976	127,774
	2,471,180	2,576,063

The City uses derivative financial instruments to manage the foreign exchange and interest rate risks related to its long-term debt. These are essentially currency swap agreements reducing the exchange risk associated with the repayment of the principal and the interest of the debt. These swaps, which are more fully described in schedule 5, are used for loans totaling $972.4 million ($867.9 million in 1998).

Considering the existence of these swaps, all the loans contracted by the City, except for a $200.0 million loan maturing in the year 2000, bear interest at a fixed rate. As at December 31, 1999, unhedged foreign exchange loans amounted to $55.0 million ($92.1 million in 1998) and the exchange loss on these loans amounted to $15.1 million ($30.6 million in 1998). In this regard, a provision of $4.8 million ($11.5 million in 1998) is recorded in the Singking Fund.

Repayments on long-term debt are as follows:

	Bonded debt (schedule 6)	Obligation under capital leases	Total
2000	209,793	183	209,976
2001	157,568	195	157,763
2002	247,959	209	248,168
2003	262,035	223	262,258
2004	166,633	239	166,872
2005-2017	1,631,985	4,134	1,636,119
	2,675,973	5,183	2,681,156

Notes and Schedules to Financial Statements (Continued)
December 31, 1999

11- OBLIGATIONS - PENSIONS PLANS

City employees must participate in contributoty defined benefit pension plans under which they shall receive pension benefits established according to years of service and salary.

Under the Act respecting the negotiation of agreement concerning the reduction of labour costs in the municipal sector and the agreement in principle concerning the capitalization of the Ville de Montréal's commitments resulting from notarized deeds and in anticipation of a reduction in labour costs, actuarial valuations of the pension plans were carried out on December 31, 1997 for all plans except the one for municipal court judges which was the subject of an actuarial valuation on December 31, 1999. According to these actuarial valuations, all pension plans had an experience surplus considering the present value of future special payments.

Based on the last actuarial valuations, the following table shows the net obligation as at December 31, as established according to the difference between actuarial values of the assets and accrued pension benefits:

	1999			1998
(in million of dollars)	Actuarial asset value	Actuarial value of accrued benefits	Net obligation	Net obligation
City employees				
Pension plan for executives [1] [2]	281.2	534.0	(252.8)	(257.2)
Pension plan for supervisors [1]	12.8	146.0	(133.2)	(130.0)
Pension plan for civil servants [1]	575.4	1,093.0	(517.6)	(526.8)
Pension plan for blue-collar workers [1]	906.5	1,021.4	(114.9)	(154.5)
Pension plan for firefighters	375.0	741.8	(366.8)	(373.4)
Pension plan for professionals [1]	96.2	202.6	(106.4)	(105.9)
Pension Plan for Municipal Court Judges	0.4	9.6	(9.2)	
Pension plan for Commission des services électriques [3]	32.6	28.9	3.7	3.4
	2,280.1	3,777.3	(1,497.2)	(1,544.4)
Pension plan of police officers employed by the City before 1972	172.6	254.7	(82.1)	(96.3)
	2,452.7	4,032.0	(1,579.3)	(1,640.7)

(1) Including the extended additional benefits pension plan.
(2) Including the additional benefits program for senior executives.
(3) Including the special Early Retirement Fund

In order to liquidate its obligations, the City has agreed to make special payments up to December 31, 2045. The present value of these payments is $1,856.2 million as at December 31, 1999. Annual payments will amount to $63.2 million in 2000 to 2003 and $104.1 million in 2004.

The City has recorded as expenses for the year an amount of $107.9 million ($111.4 million in 1998) for contributions for current services and special payments. The next actuarial valuations of the pensions plans will be carried out on December 31, 2000.

12- AMOUNT TO BE PROVIDED
(in thousands of dollars)

Liabilities related to pension plans, sick leaves, vacations and unrecorded foreign exchange gains and losses on investments and long-term debt are shown as follows on the balance sheet with no effect on results.

	1999	1998
Assets		
Investments	1,721	5,606
Liabilities		
Accounts payable - sick leaves and vacations	71,920	71,701
Long-term debt	10,235	19,177
Pension plan obligations	1,579,300	1,640,700
	1,661,455	1,731,578
Taxpayers' equity		
Amount to be provided	(1,659,734)	(1,725,972)

13- FINANCIAL SUPPORT
(in thousands of dollars)

	1999	1998
Financial expenses	419,755	428,792
Sinking Fund investment revenues	(52,648)	(57,978)
Recovery from third parties	(23,231)	(23,038)
Contribution to Sinking Fund related to amortized capital assets	(32,616)	(7,555)
	311,260	340,221

14- STATEMENT OF CASH FLOWS
(in thousands of dollars)

a) Cash and cash equivalents

Cash and cash equivalents consist of cash, short-term investments from the General Fund and bank overdraft. Cash and cash equivalents presented in the statement of cash flow include the following amounts:

	1999	1998
Cash	4,370	1,431
Banker's acceptance and promissory notes	158,576	42,959
Bank overdraft	(23)	(13,369)
	162,923	31,021

14- STATEMENT OF CASH FLOWS (continued)
(in thousands of dollars)

b) Net change in other current items

	1999	1998
Accounts receivable	83,335	(26,396)
Inventory	(295)	(276)
Accounts payable, provisions and accrued liabilities (1)	52,888	(11,482)
	135,928	(38,154)

(1) Excluding the change in the accounts payable related to sick leaves and vacations.

15- COMMITMENTS AND CONTINGENT LIABILITIES

a) Lease commitments

The commitments of the City under property leases amount to $154.8 million. The instalments for the coming years are as follows:
(in millions of dollars)

2000	2001	2002	2003	2004	2005-2052	Total
20.5	18.2	15.7	14.5	13.2	72.7	154.8

b) Metered parking

In 1995, the City awarded the exclusivity of its activities related to metered parking in lots and on the streets to a private organization, under an agreement ending on December 31, 2024, renewable for a minimum additional period of ten years. Upon the expiry of the agreement, the City is required to repurchase from the organization the capital assets used for metered parking. As at December 31, 1999, the net book value of these assets was estimated to be $15.0 million. In addition, the City has endorsed a loan with a balance of $33.3 million.

c) Claims and Insurance

Pending legal claims against the City amounted to $147.9 million as at February 29, 2000. The settlement of all of these claims could bring about, over the next few years, additional expenditures estimated by the City to amount to $19.7 million.

On behalf of all Montréal island citizens suffering from an allergy to ragweed, a citizen is suing the municipalities for an amount which could total $1,600.0 million for the City of Montréal alone, since the lots they own were not free from flowering ragweed. In the opinion of the City's legal counsel, this litigation is not well founded.

The City has not contracted any risk insurance. However, according to its Charter, the City must forecast, in its budget, an amount of 1.5 % of its probable revenues to provide for contingencies.

d) Environment

In keeping with environmental legislation, it is possible that the contamination of certain land owned by the City exceeds acceptable levels. The City is not currently able to assess future requirements in this area, and therefore, is unable to determine the cost or method of financing of any corrective measures.

15- COMMITMENTS AND CONTINGENT LIABILITIES (continued)

e) Indirect debt

In addition to the direct debt which the City has incurred in its own name or which it has assumed through the annexation of territories recorded in its financial statements, the City is jointly and severally liable with the other municipalities of the Communauté urbaine de Montréal (C.U.M.) for the C.U.M.'S debt and that of the Société de transport de la Communauté urbaine de Montréal which is not reimbursed by the Government of Québec, respectively $1,050.0 million and $247.3 million. The indirect debt also includes the City's share of the paramunicipal corporations' debt as at December 31, 1999. The share of the City in the net indirect debt and expenditures to be financed on a long-term basis is summarized as follows:

(in thousands of dollars)	
Communauté urbaine de Montréal	309,279
Société de transport de la Communauté urbaine de Montréal	105,766
Paramunicipal corporations (1)	471,483
	886,528

(1) The City has unconditionally guaranteed the refund of loans contracted by the paramunicipal corporations, the outstanding balance of which amounts to $167.2 million as at December 31, 1999. The City will also defend the SPI against any legal action resulting from the execution of its mandate.

16- PARTICIPATION IN THE COMMUNAUTÉ URBAINE DE MONTRÉAL (C.U.M.)

The City is a member of the C.U.M., a regional government composed of 29 member municipalities and responsible for certain regional municipal activities. The C.U.M. was created under the Act of Québec's National Assembly which came into effect on January 1, 1970. Expenditures of the C.U.M. and those of the Société de transport de la Communauté urbaine de Motréal, a separate corporation which holds its assets as an agent of the C.U.M., less subsidies from the Government of Québec, are apportioned between member municipalities according to their individual taxation base.

The City is responsible for approximately 55% of the expenditures of the C.U.M. which are apportioned between the participating municipalities. The City accounts for its contribution in the General Fund, as follows:

General administration	29,743	24,535
Public safety	194,305	193,107
Transportation	170,762	169,572
Environmental health	40,322	40,309
Urban development and improvement of the territory	2,243	2,242
Recreation and culture	15,257	15,252
	452,632	445,017

17- COMPARATIVES FIGURES

The presentation of certain items from the prior year was restated to conform to the presentation of the current year.

18- AUDITOR'S REPORT

The Auditors' Report does not cover the municipal funds and statements, the municipal enterprise funds or the complementary and statistical information.

Notes and Schedules to Financial Statements (continued)
December 31, 1999

SCHEDULE 1 – DETAILS OF COMBINED BALANCE SHEET

(in thousands of dollars)

	Municipal Funds and Statements					
	General fund	Working Capital Fund (1)	Sinking Fund	Capital Expenditure Fund	Statement of Long-Term Assets	Statement of Long-Term Debt
ASSETS						
Current						
Cash and investments	184 537					
Investments			131 780			
Advances to miscellaneous funds	12 665			10 816		
Accounts receivable	152 589			10 624		
Inventory	8 390					
	338 181		131 780	21 440		
Long-term						
Investments	48 303		686 485			
Advances and loans to paramunicial corporations and subsidiary	7 542				7 332	
Real estate assets intended for sale					55 131	
Capital assets					3 224 399	
Deferred charge	2 760					
Amounts recoverable for bond redemption						402 293
Amounts available for redemption of bonds						841 581
Amount to be provided for bond redemption						1 437 302
	396 786		818 265	21 440	3 286 862	2 681 156
LIABILITIES						
Current						
Bank overdraft	23					
Accounts payable, provisions and accrued liabilities	194 290		818 265	49 599		
Advances from miscellaneous funds	38 068					
Capital assets – Interim financing						
Investment in long-term assets under financing					1 169 751	
Current portion of long-term debt						209 978
	232 381		818 265	49 599	1 169 751	209 978
Long-term						
Deferred revenues	79 176					
Debt						2 471 180
Pension plan obligations						
	311 557		818 265	49 599	1 169 751	2 681 158
TAXPAYERS'EQUITY						
Surplus	3 541					
Reserves	75 954					
Excess – Internal Service Funds						
Reserves funds	5 714					
Net equity in long-term assets					2 117 111	
Amount to be provided						
Excess of permanent financing over capital expenditures				(28 159)		
	85 209			(28 159)	2 117 111	
	396 786		818 265	21 440	3 286 862	2 681 158

(1) The balance sheet account are nil at year-end.

(2) Debt of these funds is included in Statement of Long-term Debt.

Notes and Schedules to Financial Statements (continued)
December 31, 1999

Municipal Enterprise Funds				Internal Service Funds			
Saint-Michel Environmental Complex Fund (2)	Underground Conduits Fund (2)	Scientific Equipment Fund (2)	Income Security Management Fund	Rolling Stock and Workshops Fund (2)	Properties Fund (2)	Adjustments and eliminations	Total combined
216							164 753
							131 780
	4 788	466	16 376	1 246	4 376	(50 733)	
3 745	449	219	89	138	986		168 819
1 371	90	867					10 718
5 332	5 325	1 552	16 465	1 386	5 362	(50 733)	476 070
	93						734 881
		66 451					81 325
							55 131
25 140	480 585			51 216	365 957		4 147 297
							2 760
						(402 293)	
						(841 561)	
						(1 437 302)	
30 472	486 003	68 003	16 465	52 602	371 319	(2 731 889)	5 497 464
							23
1 109	908	1 552	5 773	800	5 362	(746 345)	331 313
12 665						(50 733)	
8 667	15 577					(24 244)	
						(1 169 751)	
4 000	12 795	2 510		9 440	21 248	(49 993)	209 976
26 441	29 280	4 062	5 773	10 240	26 610	(2 041 068)	541 312
			7 766				86 942
4 000	331 970	30 290		29 976	242 312	(638 548)	2 471 180
						1 579 300	1 579 300
30 441	361 250	34 352	13 539	40 216	268 922	(1 100 314)	4 678 734
31	4 417		2 926	85			11 000
							75 954
				12 301	102 397		114 698
							5 714
	120 336	33 851					2 271 098
						(1 659 734)	(1 659 734)
						28 159	
31	124 753	33 851	2 926	12 386	102 397	(1 631 575)	818 730
30 472	486 003	68 003	16 465	52 602	371 319	(2 731 889)	5 497 464

Notes and Schedules to Financial Statements (continued)
December 31, 1999

SCHEDULE 2 – DETAILS OF COMBINED STATEMENT OF REVENUES END EXPENDITURES

(in thousands of dollars)

	Municipal Funds			
	General fund	Working Capital Fund	Sinking Fund	Capital Expenditure Fund
Revenues				
Taxes	1 354 805			
Payments in lieu of taxes	212 199			
Services provided to municipal agencies	27 794			
Other services provided	33 384			
Others revenues	208 784	1 220	52 848	
Transfers	41 457			
Transfer of revenues for the year to General Fund			(52 848)	
Financing				134 897
	1 878 403	1 220		134 897
Expenditures				
General administration	229 106			
Public safety	392 945			
Transportation	341 873			
Environmental health	175 098			
Health and welfare	1 912			
Urban development and improvement of the territory	109 253			
Recreation and culture	257 378			
Material and technical support	6 265			
Financial support	234 469	965		
Contribution to special fund for local activities	46 832			
Capital assets and long-term debt				174 384
	1 795 131	965		174 384
Results before appropriations	83 272	255		(39 487)
Appropriations				
General Fund		(255)		17 614
Working Capital Fund	255			
Capital Expenditure Fund	(17 614)			
Saint-Michel Environmental Complex Fund	(6 965)			
Underground Conduits Fund	5 147			
Scientific Equipment Fund	(34 781)			
Income Security Management Fund	(3 770)			
Rolling Stock and Workshops Fund	(4 288)			
Properties Fund	(8 821)			
Surplus	1 089			
Reserves	10 838			
Excess – Internal Service Funds	11 052			
	(47 866)	(255)		17 614
Net income	35 412			(21 853)

Notes and Schedules to Financial Statements (continued)
December 31, 1999

Municipal Enterprise Funds				Internal Service Funds			
Saint-Michel Environmental Complex Fund	Underground Conduits Fund	Scientific Equipment Fund	Income Security Management Fund	Rolling Stock and Workshops Fund	Properties Fund	Adjustments and eliminations	Total combined
						(737)	1 354 068
							212 199
							27 794
18 973	58 833	12 802		54 224	131 380	(205 252)	104 344
1 313	615		1	83	11	(54 963)	209 692
			62 688				104 145
						52 648	
						(134 897)	
20 286	59 448	12 802	62 689	54 307	131 391	(343 201)	2 012 242
1 877	582	5 740	1 497			12 403	251 205
				47		(1 324)	391 668
						(5 293)	336 580
23 184						(16 693)	181 569
			64 138			(921)	65 127
	5 854					(1 291)	113 816
		36 648				(11 113)	282 913
				55 676	119 814	(181 757)	
2 210	47 214	5 195		2 870	20 398	(2 061)	311 260
							46 832
						(174 364)	
27 251	53 650	47 583	65 633	58 595	140 212	(382 414)	1 980 970
(6 965)	5 798	(34 781)	(2 944)	(4 288)	(8 821)	39 213	31 272
6 965	(5 147)	34 781	3 770	4 288	8 821	(70 837)	
							255
							(17 614)
						6 965	
						(5 147)	
						34 781	
						3 770	
						4 288	
						8 821	
							1 089
							10 836
							11 052
6 965	(5 147)	34 781	3 770	4 288	8 821	(17 359)	5 618
	651		826			21 854	36 890

Notes and Schedules to Financial Statements (Continued)
December 31, 1999

SCHEDULE 3 – DETAILS OF BUDGETED COMBINED REVENUES AND EXPENDITURES

(in thousands of dollars)

		Municipal Enterprise Funds		
	General fund	Saint-Michel Environmental Complex Fund	Underground Conduits Fund	Scientific Equipment Fund
Revenues				
Taxes	1 336 436			
Payments in lieu of taxes	201 623			
Services provided for other municipal agencies	26 660			
Other services provided	35 628	19 183	58 340	14 435
Other revenues	191 459	1 176	476	
Transfers	45 512			
	1 837 318	20 359	58 816	14 435
Expenditures				
General administration	225 873	1 912	574	
Public safety	391 082			
Transportation	339 239			
Environmental health	165 957	16 710		
Health and welfare	1 716			
Urban development and improvement of the territory	106 108		6 344	
Recreation and culture	268 900			38 473
Material and technical support	6 207			
Financial support	230 143	7 829	46 216	5 366
Contribution to special fund for local activities	46 832			
	1 782 057	26 451	53 134	43 839
Results before appropriaions	55 261	(6 092)	5 682	(29 404)
Appropriations				
General Fund		6 092	(5 682)	29 404
Capital Expenditure Fund	(6 000)			
Saint-Michel Environmental Complex Fund	(6 092)			
Underground Conduits Fund	5 682			
Scientific Equipment Fund	(29 404)			
Income Security Management Fund	(3 767)			
Rolling Stock and Workshops Fund	(4 729)			
Properties Fund	(10 951)			
Surplus				
Reserves				
	(55 261)	6 092	(5 682)	29 404
Net income				

Notes and Schedules to Financial Statements (Continued)
December 31, 1999

	Internal Service Funds				
Income Security Management Fund	Rolling Stock and Workshops Fund	Properties Fund	Used of surplus and reserves	Adjustments and eliminations	Total combined
					1 336 436
					201 623
					26 660
	52 199	130 336		(201 340)	108 781
	150	800		(1 030)	193 031
62 401					107 913
62 401	52 349	131 136		(202 370)	1 974 444
853			2 281	15 838	247 331
			2 371	(1 258)	392 195
			1 003	(4 299)	335 943
			1 067	(18 455)	165 279
65 315			28		67 059
			878	(1 385)	111 945
			1 737	(14 719)	294 391
	54 690	115 928	267	(177 092)	
	2 388	26 159		(1 000)	317 101
					46 832
66 168	57 078	142 087	9 632	(202 370)	1 978 076
(3 767)	(4 729)	(10 951)	(9 632)		(3 632)
3 767	4 729	10 951		(49 261)	
			(2 293)		(8 293)
				6 092	
				(5 682)	
				29 404	
				3 767	
				4 729	
				10 951	
			1 089		1 089
			10 836		10 836
3 767	4 729	10 951	9 632		3 632

Notes and Schedules to Financial Statements (continued)
December 31, 1999

SCHEDULE 4 – DETAILS OF COMBINED EXPENDITURES BY OBJECT AND APPROPRIATIONS

(in thousands of dollars)

		Municipal Enterprise Funds		
	General fund	Saint-Michel Environmental Complex Fund	Underground Conduits Fund	Scientific Equipment Fund
Salaries	428 476	5 532	4 153	19 141
Fringe benefits	131 907	1 509	626	5 547
Transportation and communications	13 598	54	112	739
Professional, administrative and other services	62 751	1 987	781	7 456
Rental and maintenance	206 186	5 718	600	1 919
Amortization of capital assets		7 384		
Consumer goods	57 357	2 755	116	7 278
Financial expenses	234 469	2 210	47 214	5 195
Contribution to special fund for local activities	46 832			
Participation in deficit of paramunicipal corporations	17 300			
Contributions to Communauté urbaine de Montréal	452 632			
Furniture, equipment and non-capitalized works	2 988	102	48	256
Doubtful accounts	9 339			
Subsidies for restoration	31 051			
Contributions and subsidies to paramunicipal corporations	18 823			50
Contributions to Association de bienfaisance et de retraite de la police de la Communauté urbaine de Montréal	10 431			
Contested taxes	10 000			
Contingencies	24 689			
Miscellaneous grants	25 413			
Pensions and annuities	2 214			
Other	8 675			2
	1 795 131	27 251	53 650	47 583
Appropriations	47 860	(6 965)	5 147	(34 781)
	1 842 991	20 286	58 797	12 802

Notes and Schedules to Financial Statements (continued)
December 31, 1999

Internal Service Funds					
Income Security Management Fund	Rolling Stock and Workshops Fund	Properties Fund	Adjustments and eliminations	Total combined 1999	Total combined 1998
42 838	22 415	29 841		552 396	553 178
13 514	6 562	8 136		167 801	182 509
1 103	134	551		16 291	16 165
1 691	1 399	286	(13 341)	63 010	61 379
6 043	5 827	28 338	(192 648)	61 983	84 921
	11 257	32 110		50 751	16 002
256	7 981	19 241		94 984	92 238
	2 870	20 398	(1 096)	311 260	340 221
				46 832	46 832
				17 300	26 065
				452 632	445 017
188	150	1 227		4 959	4 165
				9 339	17 943
				31 051	24 191
				18 873	18 756
				10 431	10 431
				10 000	12 023
				24 689	5 212
				25 413	23 743
				2 214	2 194
		84		8 761	15 011
65 633	58 595	140 212	(207 085)	1 980 970	1 998 196
(3 770)	(4 288)	(8 821)		(5 618)	4 577
61 863	54 307	131 391	(207 085)	1 975 352	2 002 773

Notes and Schedules to Financial Statements (Continued)
December 31, 1999

SCHEDULE 5 – DIRECT BONDED DEBT OUTSTANDING BY ISSUE (in thousands)

Issue				Balance outstanding			
Date	Nominal value	Interest rate	Maturity	In foreign currencies	In Canadian dollars		References
Payable in Canadian dollars							
Various	3 006	7.0 to 11.0	2000 to 2005		1 123	(a)	(1)(4)
03-01-1964	30 500	5,75	2004		8 328		E(2)(3)
11-01-1965	19 000	6,0	2005		3 750		C(2)(3)
03-01-1966	21 825	5,375	2000 to 2006		7 637	(b)	(2)(4)
09-01-1977	4 581	10,75	2000 to 2002		1 332	(c)	(1)(4)
02-01-1978	5 115	10,0	2000 to 2003		1 811	(c)	(1)(4)
05-29-1981	3 303	9,625	2000 to 2005		1 574	(c)	(1)(4)
08-12-1983	2 511	9,625	2000 to 2008		1 585	(c)	(1)(4)
01-27-1987	25 000	9,7	2007		25 000		(1)(5)
12-21-1989	43 000	10,25	2009		43 000		(1)(5)
09-20-1990	60 000	11,5	2000		60 000		(1)(5)
09-20-1990	35 000	11,5	2010		35 000		(1)(5)
12-13-1990	27 000	11,75	2000		27 000		(1)(5)
12-13-1990	66 000	12,0	2010		66 000		(1)(5)
10-02-1991	65 000	10,5	2001		65 000		D(1)(5)
10-02-1991	65 000	10,75	2011		65 000		D(1)(5)
02-25-1993	100 000	9,2	2005		100 000		D(1)(5)(6)
03-17-1993	125 000	9.0	2003		125 000		D(1)(5)
02-15-1994	125 000	6,375	2001		125 000		D(1)(5)
05-04-1994	100 000	9,03	2004		100 000		D(1)(5)(6)
01-10-1995	200 000	Floating	2000		200 000		DG(1)(5)
06-20-1995	75 000	8,83	2005		75 000		D(1)(5)
02-26-1996	50 000	7,1	2003		50 000		D(1)(5)
03-13-1997	100 000	6,698	2007		100 000		DG(1)(5)
09-15-1997	60 000	6,22	2017		60 000		A(1)(5)
09-08-1998	6 000	5,1	2000		6 000		A(4)
09-08-1998	6 000	5,25	2001		6 000		A(4)
09-08-1998	6 000	5,35	2002		6 000		A(4)
09-08-1998	6 000	5,5	2003		6 000		A(4)
09-08-1998	20 000	5,65	2004		20 000		A(4)
09-15-1998	150 000	6,236	2008		150 000		D(1)(5)
02-18-1999	8 000	5.0	2000		8 000		D(1)(4)
02-18-1999	8 000	5.0	2001		8 000		D(1)(4)
02-18-1999	8 000	4,75	2002		8 000		D(1)(4)
02-18-1999	8 000	4,85	2003		8 000		D(1)(4)
02-18-1999	4 650	4,9	2004		4 650		D(1)(4)
02-18-1999	19 850	5.0	2005		19 850		D(1)(4)
10-28-1999	24 200	5,9	2002		24 200		D(1)(4)(5)
10-28-1999	15 800	6,15	2005		15 800		D(1)(4)(5)
10-28-1999	10 000	6,4	2009		10 000		D(1)(4)(5)
					1 648 640		

Notes and Schedules to Financial Statements (Continued)
December 31, 1999

Issue					Balance outstanding		
Date		Nominal value	Interest rate	Maturity	In foreign currencies	In Canadian dollars	References
Loans reimbursable in Canadian dollars under a currency swap agreement							
02-26-1990	SFR	104 870	7,25	2000			F(1)(5)
02-26-1990	US$	69 809	Variable	2000			FG
02-26-1990	CAN$	81 676	10,975	2000		81 676	G
01-20-1992	SFR	125 000	7,25	2002			F(1)(5)
01-20-1992	US$	85 974	Variable	2002			FG
01-20-1992	CAN$	97 710	9,87	2002		97 710	G
05-04-1992	SFR	100 000	7,25	2002			F(1)(5)
05-04-1992	US$	66 256	Variable	2002			FG
05-04-1992	CAN$	79 057	10,215	2002		79 057	G
07-13-1992	DM	70 000	8,45	2002			F(1)(5)(6)
07-13-1992	CAN$	52 458	9,463	2002		52 458	G
10-15-1992	YEN	8 622 782	5,5	2002			F(1)(5)(6)
10-15-1992	US$	70 161	Variable	2002			FG
10-15-1992	CAN$	85 000	8,21	2002		85 000	G
09-30-1993	YEN	3 000 000	4,8	2003			F(1)(5)(6)
09-30-1993	YEN	2 500 000	Variable	2003			F(1)(5)(6)
09-30-1993	CAN$	69 655	7,525	2003		69 655	G
10-26-1994	US$	56 000	Variable	2004			F(1)(5)(6)
10-26-1994	CAN$	75 152	9,744	2004		75 152	G
11-06-1995	DM	70 000	6,5	2001			F(1)(5)
11-06-1995	CAN$	65 000	7,988	2001		65 000	G
10-16-1996	DM	110 000	Variable	2003			F(1)(5)
10-16-1996	CAN$	100 000	7,583	2003		100 000	G
12-09-1996	DM	60 000	Variable	2003			F(1)(5)
12-09-1996	CAN$	53 600	6,19	2003		53 600	G
06-26-1997	PTE	6 000 000	Variable	2007			F(1)(5)(6)
06-26-1997	CAN$	48 000	7,077	2007		48 000	G
10-30-1997	FLUX	1 600 000	5,625	2007			F(1)(5)
10-30-1997	CAN$	60 626	5,915	2007		60 626	G
02-26-1999	US$	68 664	5,375	2004			F(1)(5)
02-26-1999	CAN$	104 432	5,35	2004		104 432	G
						972 366	
Total issue in Canadian dollars						**2 621 006**	

Notes and Schedules to Financial Statements (Continued)
December 31, 1999

SCHEDULE 5 – DIRECT BONDED DEBT OUTSTANDING BY ISSUE (continued) (in thousands)

Issue					Balance outstanding		
Date		Nominal value	Interest rate	Maturity	In foreign currencies	In Canadian dollars	References
Payable in American dollars							
11-01-1964		60 000	5,0	2004	7 500	10 825	C(2)(3)
11-01-1966		30 000	6.0	2006	5 250	7 577	C(2)(3)
02-26-1999		11 273	5,38	2004	11 273	16 270	(1)(5)
					24 023	34 672	
Loans repayable in American dollars under a currency swap agreement							
02-26-1990	SFR	20 130	7,25	2000			F(1)(5)
02-26-1990	US$	13 400	Variable	2000			FG
02-26-1990	US$	13 400	9,33	2000	13 400	19 340	G
					37 423	54 012	
Payable in pounds sterling							
07-12-1888		1 440	3.0	Perpetual	380	955	(1)
Total issue in foreign currencies						54 967	
TOTAL - BOOK VALUE						2 675 973	

Notes and Schedules to Financial Statements (Continued)
December 31, 1999

		Balance outstanding		
		In foreign currencies	In Canadian dollars	Percentage allocation
Summary				
Canadian dollars	CAN$		2 621 006	98%
American dollars	US$	37 423	54 012	2%
Pounds sterling	£	380	955	
			2 675 973	100%

(a)	Various bond issues having an individual balance of less than $1.0 million.
(b)	Debt held by the Government of Québec.
(c)	Debt held by the Canada Mortgage and Housing Corporation.
A	Redeemable for sinking fund purposes, on the market at a price not exceeding 100%.
B	Redeemable on any interest payment date after a specified date, at 100%; redeemable at 100% for sinking fund purposes.
C	Redeemable on any interest payment date after a specified date, at principal amount plus a specified premium; redeemable at 100% for sinking fund purposes.
D	Not redeemable prior to maturity.
E	Not redeemable except for sinking fund purposes, redeemable at 100% for sinking fund purposes.
F	Contract subject to a currency swap agreement or an interest-rate swap agreement. Only the amount for which the City is ultimately liable is indicated as the outstanding balance.
G	Currency swap agreement or interest-rate swap agreement.
(1)	For public works, local improvements and other expenses.
(2)	For initial Metro system.
(3)	Sinking fund debentures (annual redemption mandatory).
(4)	Serial debentures.
(5)	Annual instalments arising from current revenues are accumulated for reimbursement purposes.
(6)	Term notes.

Canadian dollars	CAN$
American dollars	US$
Portuguese escudos	PTE
Francs from Luxembourg	FLUX
Swiss francs	SFR
Pounds sterling	£
Deutsche Marks	DM
Japanese Yens	YEN

Notes and Schedules to Financial Statements (Continued)
December 31, 1999

SCHEDULE 6 – BONDED DEBT MATURITIES (in thousands)

YEARS	Canadian dollars		American dollars	
	Maturity (1)	To be refinanced (2)	Maturity (1)	To be refinanced (2)
2000	387 025	199 820	15 650	
2001	273 564	119 244	2 250	
2002	357 275	112 564	2 250	
2003	416 846	174 327	13 523	
2004	308 516	145 131	2 250	
2005	213 202	79 424	750	
2006	1 477		750	
2007	233 852	42 241		
2008	150 249	41 007		
2009	53 000	3 251		
2010	101 000			
2011	65 000			
2017	60 000			
	2 621 006	917 009	37 423	
Perpetual				
	2 621 006	917 009	37 423	

Notes :
(1) Amounts in this column represent loans maturing during each of the years shown.
(2) Amounts are included in the maturity column.
(3) Of this amount, $818.3 million is already accumulated in the Sinking as at December 31, 1999. Deferred revenues related to these loans amount to $23.3 million.

Notes and Schedules to Financial Statements (Continued)
December 31, 1999

Pounds sterling		Book value in Canadian dollars		
Maturity (1)	To be refinanced (2)	Maturity (1)	To be refinanced (2)	Net maturity
		409 613	199 820	209 793
		276 812	119 244	157 568
		360 523	112 564	247 959
		436 362	174 327	262 035
		311 764	145 131	166 633
		214 285	79 424	134 861
		2 558		2 558
		233 852	42 241	191 611
		150 249	41 007	109 242
		53 000	3 251	49 749
		101 000		101 000
		65 000		65 000
		60 000		60 000
		2 675 018	917 009	1 758 009
		955		955
380		2 675 973 (3)	917 009	1 758 964
380				
			To be refinanced	917 009
				2 675 973 (3)

FINANCIAL REPORTING - MUNICIPAL FUNDS AND STATEMENTS

GENERAL FUND

General Fund
Balance Sheet
As at December 31

	(in thousands of dollars)	
	1999	1998
ASSETS		
Current		
Cash and investments	184 537	53 023
Advances to Saint-Michel Environmental Complex Fund	12 665	16 430
Taxes receivable	58 346	65 139
Accounts receivable – Payments in lieu of taxes	21 852	26 242
Other accounts receivable	72 371	137 587
Inventory	8 390	7 888
	338 161	306 309
Long-term		
Investments	48 303	43 267
Advances and loans to paramunicipal corporations	7 542	7 685
Deferred charge	2 760	3 842
	396 766	361 103
LIABILITIES		
Current		
Bank overdraft	23	13 369
Accounts payable and accrued liabilities	104 977	110 280
Provisions	89 313	51 662
Advances from Capital Expenditure Fund	10 816	22 406
Advances from Underground Conduits Fund	4 786	4 965
Advances from Scientific Equipment Fund	466	625
Advances from Income Security Management Fund	16 376	10 183
Advances from Rolling Stock and Workshops Fund	1 248	1 145
Advances from Properties Fund	4 376	
Current portion of long-term debt		6 219
	232 381	220 854
Deferred revenues	79 176	80 096
	311 557	300 950
TAXPAYERS' EQUITY		
Surplus	3 541	2 972
Reserve – Contingencies	31 350	31 411
Reserve – Next year's budget	18 000	
Reserve – Future operating expenditures	16 392	10 530
Reserve – Paramunicipal corporations	4 500	4 500
Reserve – Fringe benefits	3 773	3 773
Reserve – Future capital expenditures	1 167	1 620
Reserve – Partnership	478	707
Reserve – Investments	294	294
Reserve funds for parks and playgrounds	4 888	3 438
Reserve funds for parking areas	826	708
	85 209	60 153
	396 766	361 103

General Fund
Revenues
Year ended December 31

(in thousands of dollars)

	1999		1998
	Budget	Actual	Actual
1. Taxes			
1.1 Real estate taxes	943 051	945 407	938 670
1.3 Water-rate and service tax	159 020	164 607	161 939
1.4 Business tax	219 164	228 713	222 680
1.5 Other taxes	15 201	16 078	
	1 336 436	1 354 805	1 323 289
2. Payments in lieu of taxes			
2.1 Government of Québec	118 689	127 780	128 406
2.2 Government of Canada	15 894	18 054	15 894
2.3 Other payments	67 040	66 365	64 580
	201 623	212 199	208 880
3. Services provided to municipal organizations			
3.0 Aqueduct services	26 660	27 794	26 005
4. Other services provided			
4.1 Municipal activities	18 776	18 845	20 868
4.2 Municipal services	8 777	6 978	9 152
4.3 Recoveries of costs	7 960	7 561	7 193
4.4 Recoveries from other funds	115		184
	35 628	33 384	37 397
5. Other revenues			
5.1 Municipal duties	27 304	34 287	48 496
5.2 Fines and costs	78 861	76 304	69 189
5.3 Interest	17 482	28 056	22 630
5.4 Disposal of capital assets	8 650	6 964	12 816
5,9 Miscellaneous revenues	59 162	63 153	62 262
	191 459	208 764	215 393
6. Transfers			
6.1 Government of Québec	3 066	4 255	3 497
6.2 Agencies and individuals		42	2
6.3 Government of Canada		1 051	592
6.5 Contribution from government of Québec	20 446	21 203	19 816
6.7 Contribution from government of Québec for emergency measures	22 000	14 906	47 970
	45 512	41 457	71 877
	1 837 318	1 878 403	1 882 841

General Fund
Expenditures by Program
Year ended December 31

(in thousands of dollars)

	1999		1998
	Budget	Actual	Actual
1. General administration			
1.1 Legislative and executive services	25 432	27 924	21 078
1.2 Application of the law	26 599	24 482	22 813
1.3 Financial and administrative management	70 858	69 756	70 157
1.4 Registry office	8 149	8 169	5 851
1.5 Valuation	10 370	10 370	10 367
1.6 Personnel management	18 834	19 896	16 421
1.9 Other expenditures	65 631	68 509	54 014
	225 873	229 106	200 701
2. Public safety			
2.1 Police and public activities	216 705	216 640	214 582
2.2 Fire protection and public safety	165 209	167 503	222 766
2.9 Regulation and inspection	9 168	8 802	8 939
	391 082	392 945	446 287
3. Transportation			
3.1 Administration and technical support	43 001	42 363	32 385
3.2 Municipal roads	44 608	40 810	31 439
3.3 Snow removal	54 669	61 145	55 818
3.4 Lighting	16 181	16 517	16 241
3.5 Road signs	10 018	10 276	9 064
3.7 Public transit	170 762	170 762	169 612
	339 239	341 873	314 559
4. Environmental health			
4.1 Administration and functional support	7 805	10 319	13 006
4.2 Water supply and sewage	100 533	101 848	89 152
4.3 Waste treatment	57 165	62 477	62 938
4.9 Protection of the environment	454	454	454
	165 957	175 098	165 550

General Fund
Expenditures by Program (Continued)
Year ended December 31

(in thousands of dollars)

	1999		1998
	Budget	Actual	Actual
5. Health and welfare			
5.1 Social and community involvement	1 716	1 912	1 824
5.2 Social security			3
	1 716	1 912	1 827
6. Urban development and improvement of the territory			
6.1 Urban development and zoning	19 895	16 094	16 513
6.2 Promotion and economic development	40 202	45 029	29 582
6.3 Urban renewal and restoration	30 765	26 102	21 819
6.4 Housing	11 901	18 369	31 067
6.9 Other expenditures	3 345	3 659	4 245
	106 108	109 253	103 226
7. Recreation and culture			
7.1 Recreational activities	216 361	204 727	136 691
7.2 Cultural and educational activities	52 539	52 651	40 728
	268 900	257 378	177 419
8. Material and technical support			
8.1 Technical support	4 230	3 865	3 224
8.2 Management of workshop and fleet of vehicles		145	76
8.3 Building management and operations	1 977	2 255	88 405
	6 207	6 265	91 705
9. Financial support	230 143	234 469	284 435
9.4 Contribution to special fund for local activities	46 832	46 832	46 832

General Fund
Expenditures by Program (Continued)
Year ended December 31

(in thousands of dollars)

	1999		1998
	Budget	**Actual**	**Actual**
10. Appropriations			
Working Capital Fund		(255)	24
Capital Expenditure Fund	6 000	17 614	18 508
Saint-Michel Environmental Complex Fund	6 092	6 965	13
Underground Conduits Fund	(5 682)	(5 147)	(5 912)
Scientific Equipment fund	29 404	34 781	34 876
Income Security Management Fund	3 767	3 770	1 719
Rolling Stock and Workshops Fund	4 729	4 288	3 714
Properties Fund	10 951	8 821	
Surplus		(1 089)	(1 778)
Reserves		(10 836)	(5 741)
Excess – Internal Service Fund		(11 052)	(6 436)
	55 261	47 860	38 987
Total expenditures and appropriations	1 837 318	1 842 991	1 871 528
Net income		35 412	11 313
	1 837 318	1 878 403	1 882 841

General Fund
Surplus
Year ended December 31

(in thousands of dollars)

	1999	1998
Balance, beginning of year	2 972	3 589
Net income	35 412	11 313
Cancellation of appropriations from prior years	439	835
Appropriations to surplus	(1 089)	(1 778)
Appropriations to reserves	(34 193)	(10 987)
Balance, end of year	3 541	2 972

General Fund
Expenditures by Object
Year ended December 31

(in thousands of dollars)

	1999		1998
	Budget	Actual	Actual
Salaries	409 073	428 476	463 820
Fringe benefits	149 297	131 907	153 400
Transportation and communications	13 745	13 598	13 802
Professional, administrative and other services	68 606	62 751	63 202
Rental and maintenance	206 180	206 186	128 183
Consumer goods	54 821	57 357	75 094
Financial expenses	230 143	234 469	284 435
Contribution to special fund for local activities	46 832	46 832	46 832
Participation in deficit paramunicipal corporations		17 300	26 065
Contributions to Communauté urbaine de Montréal	447 429	452 632	445 017
Furniture, equipment and non-capitalized works	2 837	2 988	3 232
Doubtful accounts	16 464	9 339	17 943
Subsidies for restoration	37 687	31 051	24 191
Contributions and subsidies to paramunicipal corporations	29 033	18 823	18 706
Contributions to Association de bienfaisance et de retraite de la police de la Communauté urbaine de Montréal	10 396	10 431	10 431
Contested taxes		10 000	12 023
Contingencies	28 704	24 689	5 212
Miscellaneous grants	23 674	25 413	23 743
Pensions and annuities	2 260	2 214	2 194
Other	4 876	8 675	15 016
	1 782 057	1 795 131	1 832 541
Appropriations	55 261	47 860	38 987
	1 837 318	1 842 991	1 871 528

WORKING CAPITAL FUND

Working Capital Fund
Revenues and Expenditures
Year ended December 31

(in thousands of dollars)

	1999	1998
Revenues		
Interest on advances to other funds	1 220	252
Expenditures		
Interest	965	276
Results before appropriation	255	(24)
Appropriation from (to) General Fund	(255)	24
Net income		

SINKING FUND

Sinking Fund
Balance Sheet
As at December 31

(in thousands of dollars)

	1999	1998
ASSETS		
Current		
Term deposits and other securities	98 715	52 897
Current portion of long-term bonds	33 065	95 557
	131 780	148 454
Long-term		
Bonds		
Provinces and government agencies	327 485	323 636
C.U.M. and S.T.C.U.M.	30 892	27 029
Ville de Montréal	91 246	83 899
Other municipalities	70 558	31 635
School boards, CEGEPs, C.L.S.C.s and hospitals	147 313	110 169
Term deposits and other securities	5 991	5 988
Shares, class B – Société en commandite Baseball Montréal	13 000	13 000
	686 485	595 356
	818 265	743 810
LIABILITIES		
Provision for bond redemptions	811 702	726 749
Provision for foreign exchange fluctuations	4 842	11 455
Gain on foreign exchange fluctuations	1 721	5 606
	818 265	743 810

Sinking Fund
Revenues and Expenditures
Year ended December 31

	(in thousands of dollars) 1999	1998
Revenues		
Interest on investments	52 648	57 978
Revenues accounted for in reduction of financial expenses		
General loans (General Fund)	(47 277)	(53 229)
Underground Conduits Fund loans	(4 882)	(4 436)
Initial Metro system loans (General Fund)	(78)	(61)
Saint-Michel Environmental Complex Fund loans	(411)	(252)

Sinking Fund
Changes in Provisions and Gain on foreign exchange fluctuations
Year ended December 31

	(in thousands of dollars) 1999	1998
Balance, beginning of year	743 810	718 042
Add		
Contributions:		
General Fund		
Provision for bond redemptions	122 608	152 026
Provision for foreign exchange fluctuations	1 801	1 652
Capital Expenditure Fund		
Balance of loan by-law closed recorded in the Sinking Fund	8 018	17 593
Transfer from provision for discount and bond issue expenses	2 000	
Saint-Michel Environmental Complex Fund	4 000	4 000
Underground Conduits Fund	16 390	14 629
Scientific Equipment Fund	2 482	
Rolling Stock and Workshops Fund	7 125	3 555
Properties Fund	21 491	
	185 915	193 455
Gain (loss) on foreign exchange fluctuations	(3 885)	4 321
	182 030	197 776
Deduct		
Bond redemptions from the provision for redemptions	107 575	172 008
Balance, end of year	818 265	743 810

CAPITAL EXPENDITURE FUND

Capital Expenditure Fund
Balance Sheet
As at December 31

	(in thousands of dollars)	
	1999	**1998**
ASSETS		
Current		
Advances to General Fund	**10 816**	22 406
Accounts receivable	**6 061**	6 212
Subsidies receivable	**4 563**	12 600
	21 440	41 218
LIABILITIES		
Accounts payable and accrued liabilities	**43 582**	33 011
Provision for discount and bond issue expenses	**6 017**	6 495
	49 599	39 506
EXCESS OF PERMANENT FINANCING OVER EXPENDITURES (OF EXPENDITURES OVER PERMANENT FINANCING)	**(28 159)**	1 712
	21 440	41 218

Capital Expenditure Fund
Statement of Activities
Year ended December 31

	(in thousands of dollars) 1999	1998
PERMANENT FINANCING		
Long-term borrowings contracted	117 932	109 072
Contribution from General Fund	17 614	18 508
Promoters' contributions and other sources	7 004	4 738
Government subsidies	5 808	28 224
Contribution from Properties Fund	2 918	
Contribution from Rolling Stock and Workshops Fund	1 135	1 599
Contribution from Saint-Michel Environmental Complex Fund	100	
	152 511	162 141
EXPENSES		
Capital assets		
Movable property	9 193	8 234
Real estate assets – Properties acquired for non-payment of taxes	148	131
Aqueduct, reservoirs and filtration plants	4 464	5 362
Sewers	8 599	10 235
Undergrounds conduits (1)	940	893
Streets, sidewalks, public roads, bridges and tunnels	64 894	62 251
Public buildings and worksites	2 028	35 095
Miscellaneous acquisitions	11 467	3 278
Parks and playgrounds	9 557	14 679
Urban renewal and development	2 089	1 248
Saint-Michel Environmental Complex Fund	2 090	2 469
Underground Conduits Fund	7 160	7 329
Rolling Stock and Workshops Fund	9 677	13 348
Properties Fund	24 315	
	156 621	164 552
Real estate assets intended for sale	10 650	
Long-term loan – Société de gestion Marie-Victorin	204	
	167 475	164 552
Operating expenditures financed through borrowings	6 889	1 753
	174 364	166 305
Excess of expenditures over permanent financing for the year	(21 853)	(4 164)
Balance of loan by-law closed recorded in the Sinking Fund	(8 018)	(17 593)
Excess of permanent financing over expenditures, beginning of year	1 712	23 469
Excess of permanent financing over expenditures (of expenditures over permanent financing), end of year	(28 159)	1 712

(1) Underground conduits other than those of the Underground Conduits Fund.

STATEMENT OF LONG-TERM ASSETS

Statement of Long-Term Assets
Long-Term Assets and Capital Assets – All Funds (1)
As at December 31

(in thousands of dollars)

	1999	1998
Capital assets		
Movable property	34 550	32 138
Real estate assets – Properties acquired for non-payment of taxes	2 750	3 235
Public works, buildings, public roads, etc.		
Aqueduct, reservoirs and filtration plants	399 178	604 251
Sewers	362 767	360 099
Underground conduits (2)	55 161	53 612
Streets, sidewalks, public roads, bridges and tunnels	1 270 926	1 188 363
Public buildings and worksites	2 028	606 966
Miscellaneous acquisitions	175 042	164 690
Parks and playgrounds	329 013	320 389
Urban renewal and development	149 016	149 183
Carrefour des îles	34 386	34 385
Biosphère	17 429	17 429
Île Notre-Dame and enlargement of Île Sainte-Hélène	64 856	37 756
Olympic installations		141 000
Local improvements	327 297	342 250
Equipment under capital leases		5 804
Capital assets – municipal funds	3 224 399	4 061 550
Capital assets – other funds		
Saint-Michel Environmental Complex Fund	25 140	30 434
Underground Conduits Fund	480 585	475 918
Rolling Stock and Workshops Fund	51 216	53 151
Properties Fund	365 957	
Total capital assets	4 147 297	4 621 053
Real estate assets intended for sale	55 131	47 605
Advances and long-term loans		
Office municipal d'habitation de Montréal	7 332	7 370
Société de gestion Marie-Victorin	66 451	66 246
	73 783	73 616
Total long-term assets	4 276 211	4 742 274
Financing method		
Assets acquired before May 1, 1976	847 464	1 020 627
Borrowings and contributions	3 086 343	3 346 533
Government subsidies	293 408	322 453
Promoters' contributions and other sources	48 996	52 661
	4 276 211	4 742 274

(1) Includes all long-term assets with the exception of the investments and loans and advances that are not financed through borrowings.

(2) Underground conduits other than those of the Underground Conduits Fund.

Statement of Long-Term Assets
Changes in Long-Term Assets and Capital Assets – All Funds
Year ended December 31, 1999

		(in thousands of dollars)
Long-term assets as at December 31, 1998		4 742 274
Restatement as at January 1, 1999		
Properties Fund		(522 171)
Balance restated as at January 1, 1999		4 220 103
Add		
Capital assets		
Movable property		
– out of borrowings and contributions		9 193
Real estate assets – Properties acquired for non-payment of taxes		
– out of borrowings and contributions		148
Public works, buildings, public roads, etc.		
– out of borrowings and contributions	91 369	
– out of subsidies	5 808	
– out of other sources	6 861	104 038
Real estate assets intended for sale		
– out of borrowings and contributions		10 650
Capital assets of the Saint-Michel Environmental Complex Fund		
– out of borrowings and contributions		2 090
Capital assets of the Underground Conduits Fund		
– out of borrowings and contributions		7 160
Capital assets of the Rolling Stock and Workshops Fund		
– out of borrowings and contributions		9 677
Capital assets of the Properties Fund		
– out of borrowings and contributions		24 315
		167 271
Long-term loan		204
		167 475
Deduct		
Capital assets		
Write-off (according to the period provided for)	55 406	
Disposal	5 171	60 577
Long-term loans		
Reimbursement		39
Amortization – Saint-Michel Environmental Complex Fund		7 384
Amortization – Rolling Stock and Workshops Fund		11 257
Amortization – Properties Fund		32 110
		111 367
Long-term assets as at December 31, 1999		4 276 211

Statement of Long-Term Assets
Net Equity in Long-Term Assets
As at December 31

(in thousands of dollars)

		1999		1998
Total of long-term assets and capital assets for all funds		**4 276 211**		4 742 274
Long-term debt				
Long-term debt translated at the exchange rates prevailing on the balance sheet date	**(2 681 156)**		(2 703 837)	
General Fund – Anticipated financing			6 219	
Foreign exchange fluctuations	**15 077**	**(2 666 079)**	30 633	(2 666 985)
Excess of permanent financing over expenditures (of expenditures over permanent financing)		**(28 159)**		1 712
Provision for bond redemptions		**811 702**		726 749
Underground Conduits Fund				
Surplus – Early Retirement Fund		**93**		
		2 393 768		2 803 750
Deduct				
Saint-Michel Environmental Complex Fund				
Capital assets	**25 140**		30 434	
Long-term debt	**(8 000)**		(12 000)	
Capital assets – Interim financing	**(8 667)**	**8 473**	(6 676)	11 758
Rolling Stock and Workshops Fund				
Capital assets	**51 216**		53 151	
Long-term debt	**(39 416)**	**11 800**	(38 000)	15 151
Properties Fund				
Capital assets	**365 957**			
Long-term debt	**(263 560)**	**102 397**		
		2 271 098		**2 776 841**

STATEMENT OF LONG-TERM DEBT

Statement of Long-Term Debt
Long-Term Debt
As at December 31

	(in thousands of dollars)	
	1999	**1998**
Long-term debt		
Bonded debt	**2 675 973**	2 698 483
Obligations under capital leases	**5 183**	5 354
	2 681 156	2 703 837
Repayment method		
Recoverable amounts		
Applicable to the redemption of the debt incurred for the construction and equipment for the initial Metro system	**34 802**	41 316
From other municipalities for their share of the cost of the water system	**40 941**	53 759
From third parties by way of fees	**263 313**	275 675
From the Saint-Michel Environmental Complex Fund	**4 116**	4 791
From the Government of Québec in accordance with the Tripartite Program for Urban Infrastructure Repair	**59 121**	66 066
	402 293	441 607
Amounts available for bond redemptions		
General Fund (deferred revenues)	**23 296**	24 145
Sinking Fund	**818 265**	743 810
	841 561	767 955
Amounts to be provided for bond redemptions		
Chargeable to all taxpayers	**1 374 451**	1 426 540
Chargeable to certain taxpayers	**57 668**	62 381
	1 432 119	1 488 921
Amounts to be provided for under capital leases		
Chargeable to all taxpayers	**5 183**	5 354
	2 681 156	**2 703 837**

Statement of Long-Term Debt
Changes in Long-Term Debt
Year ended December 31, 1999

(in thousands of dollars)

Long-term debt as at December 31, 1998		2 703 837
Add		
Loans incurred		
4.75 % to 5 % serial loan for partial refinancing;		56 500
5.35 % loan for capital assets;		104 432
5.375 % loan for refinancing;		10 949
5.9 % to 6.4 % serial loan for capital assets ($13.5 million); and for partial refinancing ($36.5 million).		50 000
		221 881
Deduct		
Refinancing of debentures at maturity		110 168
Sinking Fund		
Debentures redeemed at maturity		107 575
Operating budget		
Debentures redeemed at maturity	19 505	
Debentures redeemed before maturity	3	
Obligations under capital leases at maturity	170	19 678
Loss on foreign exchange fluctuations		7 141
		244 562
Long-term debt as at December 31, 1999		2 681 156

Statement of Long-Term Debt
Direct Bonded Debt Outstanding by Currency
As at December 31

(in thousands of dollars)

	1999			1998		
		CAN$	%		CAN$	%
Payable in Canadian dollars						
Sinking Fund debentures		1 825 178			1 908 494	
Term notes		780 765			680 265	
Debentures due to the Government of Québec and the Government of Canada		15 063			17 614	
		2 621 006	98		2 606 373	97
Payable in American dollars						
Sinking Fund debentures	26 150 US$			28 400 US$		
Term notes	11 273 US$			31 000 US$		
	37 423 US$	54 012	2	59 400 US$	91 078	3
Payable in Deutsche Marks						
Sinking Fund debentures						
Payable in pounds sterling						
Perpetual loans	380 £	955		381 £	1 032	
Direct bonded debt outstanding as at December 31		2 675 973	100		2 698 483	100

Statement of Long-Term Debt
Direct and Indirect Debt and Long-Term Unfunded Expenditures
As at December 31

	(in thousands of dollars)	
	1999	**1998**
Direct debt (A)		
Public works and local improvements	**2 458 731**	2 467 515
Initial Metro system	**46 431**	60 157
Tripartite Program for Urban Infrastructure Repair	**170 811**	170 811
Gross direct bonded debt	**2 675 973**	2 698 483
Obligations under capital leases	**5 183**	5 354
	2 681 156	2 703 837
Long-term unfunded expenditures (1) (anticipated financing) (2)(3)	**28 159**	(7 931)
Gross direct debt and long-term unfunded expenditures	**2 709 315**	2 695 906
Less:		
Recoverable amounts applicable to redemption of the debt incurred for construction and equipment for the initial Metro system (4)	**34 802**	41 316
Estimated amounts recoverable from other municipalities for their share of the cost of the water system	**40 941**	53 759
Estimated amounts recoverable from third parties by way of fees (5)	**263 313**	275 675
Recoverable amounts from the Saint-Michel Environmental Complex Fund	**4 116**	4 791
Recoverable amounts from the Government of Québec in accordance with the Tripartite Program for Urban Infrastructure Repair (6)	**59 121**	66 066
Amounts available for bond redemptions (7)	**841 561**	767 955
	1 243 854	1 209 562
Net direct debt and long-term unfunded expenditures	**1 465 461**	1 486 344

Statement of Long-Term Debt
Direct and Indirect Debt and Long-Term Unfunded Expenditures (Continued)
As at December 31

(in thousands of dollars)

	1999	1998
Indirect debt (B)		
Communauté urbaine de Montréal (C.U.M.)		
Metro extensions	536 377	575 395
Sewage treatment	610 383	628 367
Regional parks	64 449	64 299
Others	42 958	44 681
	1 254 167	1 312 742
Long-term unfunded expenditures (1)	7 977	10 000
	1 262 144	1 322 742
Less:		
Amounts recoverable from the Government of Québec (8)	677 192	726 131
Amounts available for bond redemptions	275 673	272 512
	309 279	324 099
Société de transport de la Communauté urbaine de Montréal (S.T.C.U.M.)		
Long-term debt	279 646	255 645
Long-term unfunded expenditures (1) (anticipated financing) (2)	17 762	37 943
	297 408	293 588
Less:		
Amounts recoverable from the Government of Québec (9)	149 834	153 267
Amounts available for bond redemptions	41 808	35 590
	105 766	104 731
Paramunicipal corporations		
Long-term debt	418 903	422 057
Long-term unfunded expenditures (1)	52 580	56 826
	471 483	478 883
Gross indirect debt and long-term unfunded expenditures	2 031 035	2 095 213
Net indirect debt and long-term unfunded expenditures	886 528	907 713
Gross direct and indirect debt and long-term unfunded expenditures (10)	4 740 350	4 791 119
Net direct and indirect debt and long-term unfunded expenditures	2 351 989	2 394 057

Statement of Long-Term Debt
Direct and Indirect Debt and Long-Term Unfunded Expenditures (continued)
As at December 31, 1999

(A) The direct debt represents obligations which the City has incurred in its own name or which it has assumed through the annexation of territories. Direct debt includes obligations which are payable in part from the proceeds of special assessments and for which the general credit of the City is pledged; the amount thereof is shown on the statement of long-term debt under "amounts to be provided for bond redemptions chargeable to certain taxpayers"

(B) The indirect debt includes the share of the debt of regional governmental units (C.U.M. and S.T.C.U.M.) which must be borne by taxpayers of the City. The amount of debt of each unit applicable to the City is established by applying to this debt the percentage of the taxation potential of the City as compared to the total taxation potential of the C.U.M.'s municipalities. The indirect bonded debt also includes the City's share of these paramunicipal entities' debt : the Office municipal d'habitation de Montréal; Société d'habitation et de développement de Montréal; Société de développement de Montréal; Société du parc des îles.

(1) While long-term unfunded expenditures do not represent long-term debt, they have been included herein to ensure comparability from year to year in light of the occasional postponement of long-term financing due, among other factors, to the volatility of international capital markets.

(2) Represents the excess of loans contracted over the expenditures made under loan by-laws.

(3) In 1998, the amount includes debentures of $6.2 million refinanced before maturity that are not redeemed.

(4) Represents the portion of the debt contracted to finance the construction and equipment of the initial Metro system assumed by the Government of Québec (60%) and the balance assumed by the C.U.M.'s municipalities other than the Ville de Montréal.

(5) Represents that part of the City's debt for underground conduits which is mainly reimbursed through fees collected by the City from third parties who are users of these conduits.

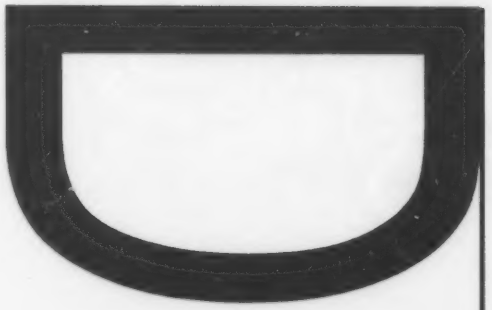
(6) Represents the portion of the debt related to the Tripartite Program for Urban Infrastructure Repair assumed by the Government of Québec.

(7) Amounts available for the redemption of debentures include amounts accrued in the Sinking Fund and deferred revenues resulting from the disposal of assets.

(8) Represents the City's share of the subsidy in respect of Metro extensions $277.6 million ($309.4 million in 1998) and of the subsidy in respect of sewage treatment $398.1 million ($415.2 million in 1998).

(9) Represents the City's share of the subsidy of the Government of Québec in respect of the debt service for the expenses specifically incurred for a bus system.

(10) Direct debt and sinking fund investments stated in foreign currencies were translated using the exchange rate prevailing at the end of each fiscal year.



FINANCIAL REPORTING - MUNICIPAL ENTERPRISE FUNDS

SAINT-MICHEL ENVIRONMENTAL COMPLEX FUND

Saint-Michel Environmental Complex Fund
Balance Sheet
As at December 31

(in thousands of dollars)

	Notes	1999	1998
ASSETS			
Current			
Cash		216	349
Accounts receivable		3 745	3 537
Inventory		1 371	1 532
		5 332	5 418
Capital assets	(3)	25 140	30 434
		30 472	35 852
LIABILITIES			
Current			
Accounts payable and accrued liabilities	(4)	1 109	715
Advances from General Fund		12 665	16 430
Capital assets – Interim financing		8 667	6 676
Current portion of long-term debt	(5)	4 000	4 000
		26 441	27 821
Long-term debt	(5)	4 000	8 000
		30 441	35 821
TAXPAYERS' EQUITY			
Surplus		31	31
		30 472	35 852

Saint-Michel Environmental Complex Fund
Income Statement
Year ended December 31

(in thousands of dollars)

	1999	1998
Revenues		
Waste disposal	16 927	19 754
Material disposal	1 791	2 543
Other services	1 530	1 431
	20 248	23 728
Expenses		
Salaries and benefits	7 041	6 960
Capital asset amortization	7 384	4 882
Utilization of the site	3 291	3 291
Consumer goods	2 755	2 659
Professional, administrative and other services	1 987	2 005
Rental and maintenance	1 400	717
Closure and post-closure costs	1 027	832
Furniture, equipment and non-capitalized works	102	124
Transportation and communications	54	66
	25 041	21 536
Operating results	(4 793)	2 192
Other revenues (expenses)		
Interest on investments	38	38
Financial expenses	(2 210)	(2 243)
Results before appropriation	(6 965)	(13)
Appropriation from General Fund	6 965	13
Net income		

Saint-Michel Environmental Complex Fund
Notes to Financial Statements
Decembre 31, 1999

1- NATURE OF OPERATIONS

The operations of the Saint-Michel Environmental Complex Fund consist of receiving and burying solid waste at the site of the former Miron quarry.

2- SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies in effect are as follows:

a) Accounting method

Transactions are recorded using the accrual basis of accounting. The accrual basis of accounting recognizes revenues and expenditures in the period in which they occur regardless of whether there has been a receipt or a payment.

However, charges related to pension plans, vacations and sick leaves are accounted for on a cash basis.

b) Inventory

The inventory is valued at average cost.

c) Capital assets

Capital assets are recorded at historical cost plus the discount and issuance costs of long-term loans required to finance their acquisition. Capital assets are depreciated on a straight-line basis over their estimated useful life, or the estimated remaining life of the landfill site, whichever is lower.

d) Closure and post-closure costs

The City will assume closure and post-closure costs for an estimated period of 20 years following the closing of the sanitary landfill for solid waste. These costs equal the present value of control and maintenance expenses of biogas and leaching waters systems, net of the present value of the interest calculated on the amounts recorded in previous years. Such estimated costs are charged to results for the year on a straight-line basis over the estimated remaining life of the sanitary landfill site. Liabilities related to these costs are recorded in the General Fund.

Assumptions regarding the calculation of these costs are reviewed on a regular basis to take into account the progress made in the management of sanitory landfill of solid waste.

Saint-Michel Environmental Complex Fund
Notes to Financial Statements (Continued)
December 31, 1999

3- CAPITAL ASSETS

(in thousands of dollars)

	1998			1997
	Cost	Accumulated depreciation	Net book value	Net book value
Infrastructure	53,230	35,553	17,677	22,655
Furniture, equipment and rolling stock	11,011	5,509	5,502	6,432
Buildings	2,433	472	1,961	1,347
	66,674	41,534	25,140	30,434

The amortization periods for the principal capital asset classes are as follows:

Capital asset classes	Years
Infrastructure	4-20
Furniture, equipment and rolling stock	5-20
Buildings	20

4- ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

(in thousands of dollars)

	1999	1998
Accounts payable and accrued liabilities	868	493
Deposits from customers	241	222
	1,109	715

5- LONG-TERM DEBT

(in thousands of dollars)

	1999	1998
7.583% bonded debt maturing in 2001	8,000	12,000
Less: Current portion of long-term debt	4,000	4,000
	4,000	8,000

6- COMPARATIVES FIGURES

The presentation of certain items from the prior year was restated to conform to the presentation of the current year.

UNDERGROUND CONDUITS FUND

Underground Conduits Fund
Balance Sheet
As at December 31

	Notes	1999	1998
		(in thousands of dollars)	
ASSETS			
Current			
Accounts receivable		449	420
Inventory		90	103
Advances to General Fund		4 786	4 965
		5 325	5 488
Long-term			
Investments at cost		93	
Capital assets – Underground conduits		480 585	475 918
		486 003	481 406
LIABILITIES			
Current			
Accounts payable		908	1 722
Capital assets – Interim financing		15 577	10 871
Current portion of long-term debt	*(3)*	12 795	2 699
		29 280	15 292
Long-term debt	*(3)*	331 970	339 765
		361 250	355 057
TAXPAYERS' EQUITY			
Surplus		4 417	3 766
Net equity in long-term assets		120 336	122 583
		124 753	126 349
		486 003	481 406

Underground Conduits Fund
Income Statement
Year ended December 31

	(in thousands of dollars)	
	1999	**1998**
Revenues		
Fees	**56 056**	56 236
Expenses charges to completed work	**1 755**	1 562
Other	**1 637**	1 828
	59 448	59 626
Expenditures		
Salaries and benefits	**4 779**	5 226
Professional, administrative and other services	**781**	853
Rental and maintenance	**600**	550
Consumer goods	**116**	97
Transportation and communications	**112**	110
Furniture and equipment	**48**	51
	6 436	6 887
Operating results	**53 012**	52 739
Financial expenses	**(47 214)**	(46 827)
Results before appropriation	**5 798**	5 912
Appropriation to General Fund	**(5 147)**	(5 912)
Net income	**651**	

Underground Conduits Fund
Surplus
Year ended December 31

	(in thousands of dollars)	
	1999	**1998**
Balance, beginning of year	**3 766**	3 766
Net income	**651**	
Balance, end of year	**4 417**	3 766

Underground Conduits Fund
Notes to Financial Statements
December 31, 1999

1- GOVERNING STATUTE AND NATURE OF OPERATIONS

The City records in a separate fund the financial transactions related to the construction, maintenance and administration of an underground conduits system within its territorial boundaries.

The administration of the municipal network of underground conduits was delegated to the Commission des services électriques which was created by the Ville de Montréal on June 27, 1910 pursuant to special legislation of the Government of Québec. However, the power to borrow funds or manage financial resources was not granted to the Commission.

2- SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies in effect are as follows:

a) Accounting method

Transactions are recorded using the accrual basis of accounting. The accrual basis of accounting recognizes revenues and expenditures in the period in which they occur, regardless of whether there has been a receipt or a payment.

However, interest expense on long-term debt and charges related to pension plans and vacation are accounted for on cash basis.

b) Inventory

Inventory is valued at the lower of cost and replacement cost.

c) Capital assets

Underground conduits are recorded at historical cost plus the discount and issuance expenses of long-term borrowings required for their financing and interest expenses on interim financing.

No amortization is recorded. However, in order not to state capital asset items indefinitely, only the acquisitions made in the past 40 years are shown.

d) Fees

The City is authorized to set and collect fees from any person using its underground conduits. Fees are established, from year to year, in such a way as to cover the cost of administration and maintenance of the underground conduits as well as the interest and amortization of the debt contracted by the City for the construction or acquisition of these underground conduits.

Debt contracted before January 1, 1983 and financed through fees is deemed amortized over a 40-year period for the purposes of establishing fees without taking into account the effective amortization period of each of these borrowings.

e) Expenses charged to completed work

A portion of the operating expenses is charged to the cost of the conduits network according to a percentage determined by the Board. Salaries and other incidental expenses for staff assigned to supervise the works are also added to the cost of the works completed.

Underground Conduit Fund
Notes to Financial Statements (Continued)
December 31, 1999

3- LONG-TERM DEBT
(in thousands of dollars)

	1999	1998
Bonded debt contracted before 1983, at average annual rate of the City's debt, maturing from 2000 to 2002	5,682	8,381
Bonded debt, at interest rates ranging from 5.915% to 12%, maturing from 2000 to 2011	339,083	334,083
	344,765	342,464
Less: current portion of long-term debt	12,795	2,699
	331,970	339,765

To provide for the future reimbursement of long-term borrowings which do not require annual repayments, amounts are accumulated in the City's Sinking Fund. As at December 31, 1999, these accumulated amounts totalled $97.0 million ($77.7 million in 1998). In the Underground Conduits Fund's income statement, annual contributions to the Sinking Fund are accounted for as financial expenses.

SCIENTIFIC EQUIPMENT FUND

Scientific Equipment Fund
Balance Sheet
As at December 31

	Notes	1999	1998
		(in thousands of dollars)	
ASSETS			
Current			
Accounts receivable		219	267
Inventory		867	900
Avdances to General Fund		466	625
		1 552	1 792
Loan to subsidiary	*(3)*	66 451	66 246
		68 003	68 038
LIABILITIES			
Current			
Accounts payable and accrued liabilities		1 552	1 792
Current portion of long-term debt	*(4)*	2 510	2 514
		4 062	4 306
Long-term debt	*(4)*	30 290	33 124
		34 352	37 430
TAXPAYERS' EQUITY			
Net equity in long-term assets		33 651	30 608
		68 003	68 038

Scientific Equipment Fund
Income Statement
Year ended December 31

	(in thousands of dollars)	
	1999	**1998**
Revenues		
Entrance fees	8 142	8 263
Shops and restaurants	3 395	3 532
Parking	994	995
Other	271	337
	12 802	13 127
Expenses		
Salaries and benefits	24 688	24 416
Professional, administrative and other services	7 456	7 962
Consumer goods	7 278	7 816
Rental and maintenance	1 919	957
Transportation and communications	739	951
Furniture and equipment	256	362
Other	52	45
	42 388	42 509
Operating results	(29 586)	(29 382)
Financial expenses	(5 195)	(5 494)
Results before appropriation	(34 781)	(34 876)
Appropriation from General Fund	34 781	34 876
Net income		

Scientific Equipment Fund
Notes to Financial Statements
December 31, 1999

1- NATURE OF OPERATIONS

In order to combine certain public service involving scientific activities, the City uses a separate fund to account for all financial transactions relating to the administration of the Botanical Garden, the Planetarium and the Biodome. According to an agreement signed on December 17, 1999, the City will manage this scientific equipment as an agent for a maximum of five years.

2- SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies in effect are as follows:

a) Accounting method

Transactions are recorded using the accrual basis of accounting. The accrual basis of accounting recognizes revenues and expenditures in the period in which they occur, regardless of whether there has been a receipt or a payment.

However, interest expense on long-term debt and charges related to pension plans, vacations and sick leaves are accounted for on a cash basis.

b) Inventory

Inventory is valued at average cost.

3- LOAN TO A SUBSIDIARY
(in thousand of dollars)

	1999	1998
Interest - free loan maturing in 2003	66,451	66,246

4- LONG-TERM DEBT
(in thousand of dollars)

	1999	1998
Bonded debt, at interest rates ranging from 4.75% and 12%, maturing from 2000 to 2017	32,800	35,638
Less : current portion of long-term debt	2,510	2,514
	30,290	33,124

INCOME SECURITY MANAGEMENT FUND

Income Security Management Fund
Balance Sheet
As at December 31

(in thousands of dollars)

	1999	1998
ASSETS		
Accounts receivable	89	22
Advances to General Fund	16 376	10 183
	16 465	10 205
LIABILITIES		
Current		
Accounts payable and accrued liabilities	912	142
Prepaid revenues	4 861	
	5 773	142
Deferred revenues	7 766	7 963
	13 539	8 105
TAXPAYERS' EQUITY		
Surplus	2 926	2 100
	16 465	10 205

Income Security Management Fund
Income Statement
Year ended December 31

	(in thousands of dollars)	
	1999	1998
Revenues	62 689	63 271
Expenditures		
Salaries and benefits	58 352	56 954
Rental and maintenance	6 043	5 158
Professional, administrative and other services	1 691	1 441
Transportation and communications	1 103	1 112
Consumer goods	256	227
Furniture and equipment	188	98
	65 633	64 990
Results before appropriation	(2 944)	(1 719)
Appropriation from General Fund	3 770	1 719
Net income (Schedule 1)	826	

Income Security Management Fund
Surplus
Year ended December 31

	(in thousands of dollars)	
	1999	1998
Balance, beginning of year	2 100	2 100
Net income	826	
Balance, end of year	2 926	2 100

Income Security Management Fund
Notes and Schedule to Financial Statements
December 31, 1999

1- MANDATE

The Income Security Management Fund is used to record transactions regarding agreements between, on the one hand, the City and the ministère de la Solidarité sociale, and on the other, between the City, the ministère de la Santé et du Service social and the Régie régionale de Montréal-centre. These agreements involve the City's administration of income security programs, organization of public services related to employment and community health.

2- SIGNIFICANT ACCOUNTING POLICY

The significant accounting policy in effect is as follows:

Accounting method

Transactions are recorded using the accrual basis of accounting. The accrual basis of accounting recognizes revenues and expenditures in the period in which they occur, regardless of whether there has been a receipt or a payment.

However, expenditures related to pension plans, vacation and sick leaves are accounted for on a cash basis.

Income Security Management Fund
Notes and Schedule to Financial Statements (Continued)
December 31

SCHEDULE 1 – DETAILS OF RESULTS BY PROGRAM

(in thousands of dollars)

	1999				1998
	Income security	Employment services	Community health	Total	Total
Revenues	45 978	15 629	1 082	62 689	63 271
Expenditures					
Salaries and benefits	41 770	13 551	1 031	56 352	56 954
Rental and maintenance	4 212	1 831		6 043	5 158
Professional, administrative and other services	1 691			1 691	1 441
Transportation and communications	904	199		1 103	1 112
Consumer goods	256			256	227
Furniture and equipment	188			188	98
	49 021	15 581	1 031	65 633	64 990
Results before appropriation	(3 043)	48	51	(2 944)	(1 719)
Appropriation from General Fund	3 770			3 770	1 719
Net income	727	48	51	826	

FINANCIAL REPORTING - INTERNAL SERVICE FUNDS

ROLLING STOCK AND WORKSHOPS FUND

Rolling Stock and Workshops Fund
Balance Sheet
As at December 31

	Notes	1999	1998
		(in thousands of dollars)	
ASSETS			
Current			
Accounts receivable		138	128
Advances to General Fund		1 248	1 145
		1 386	1 273
Capital assets	*(3)*	51 216	53 151
		52 602	54 424
LIABILITIES			
Current			
Accounts payable and accrued liabilities		800	687
Current portion of long-term debt	*(4)*	9 440	7 125
		10 240	7 812
Long-term debt	*(4)*	29 976	30 875
		40 216	38 687
TAXPAYERS' EQUITY			
Surplus		85	85
Excess		12 301	15 652
		12 386	15 737
		52 602	54 424

Rolling Stock and Workshops Fund
Income Statement
Year ended December 31

(in thousands of dollars)

	1999	1998
Revenues		
Services billed	54 224	44 396
Gain on disposal of rolling stock	83	40
	54 307	44 436
Expenses		
Salaries and benefits	28 977	24 911
Capital asset amortization	11 257	11 120
Consumer goods	7 981	6 345
Rental and maintenance	5 827	1 831
Professional, administrative and other services	1 399	1 322
Furniture and equipment	150	298
Transportation and communications	134	124
	55 725	45 951
Operating results	(1 418)	(1 515)
Financial expenses	(2 870)	(2 199)
Results before appropriation	(4 288)	(3 714)
Appropriation from General Fund	4 288	3 714
Net income		

Rolling Stock and Workshops Fund
Excess
Year ended December 31

	(in thousands of dollars)	
	1999	**1998**
Balance, beginning of year	**15 652**	22 088
Add		
Repayment of long-term debt	**7 125**	3 555
Contribution to Capital Expenditure Fund	**1 135**	1 599
	8 260	5 154
Deduct		
Amortization	**11 257**	11 120
Net book value of assets transferred	**354**	470
	11 611	11 590
Balance, end of year	**12 301**	15 652

Rolling Stock and Workshops Fund
Notes to Financial Statements
December 31, 1999

1- GOVERNING STATUTE AND NATURE OF OPERATIONS

The City records operations related to the use of vehicles and small tools by municipal departments in the Rolling Stock and Workshops Fund.

2- SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies in effect are as follows:

a) Accounting method

Transactions are recorded using the accrual basis of accounting. The accrual basis of accounting recognizes revenues and expenditures in the period in which they occur, regardless of whether there has been a receipt or a payment.

However, interest expense on long-term debt and charges related to pension plans, vacation and sick leaves are accounted for on a cash basis.

b) Capital assets

Capital assets are accounted for at historical cost, which includes the discounts and long-term debt issue expenses required to finance the capital assets. They are amortized according to the diminishing balance method at rates that vary between 10% and 55%.

c) Excess

The method for recording capital expenditures is different from the one used for taxation purposes. Differences resulting from the different methods are presented separately under the item "Excess" as part of taxpayers' equity.

3- CAPITAL ASSETS

(in thousands of dollars)

	1999			1998
	Cost	Accumulated amortization	Net book value	Net book value
Rolling stock and equipment	163,746	112,530	51,216	53,151

4- LONG-TERM DEBT

(in thousands of dollars)

	1999	1998
Bonded debt, at interest rates ranging from 4.75% to 11.50%, maturing from 2000 to 2017	39,416	38,000
Less: current portion of long-term debt	9,440	7,125
	29,976	30,875

PROPERTIES FUND

Properties Fund
Balance Sheet
As at December 31

(in thousands of dollars)

	Notes	1999
Assets		
Current		
Accounts receivable	(3)	986
Advances to General Fund		4 376
		5 362
Capital assets	(4)	365 957
		371 319
LIABILITIES		
Current		
Accounts payable and accrued liabilities		5 362
Current portion of long-term debt	(5)	21 248
		26 610
Long-term debt	(5)	242 312
		268 922
TAXPAYER'S EQUITY		
Excess		102 397
		371 319

Properties Fund
Income Statement
Year ended December 31

(in thousands of dollars)

	1999
Revenues	
Rents	
External	4 036
Municipal services	126 720
Other	635
	131 391
Expenses	
Salaries and benefits	37 977
Capital asset amortization	32 110
Rental and maintenance	28 338
Consumer goods	19 241
Furniture and equipment	1 227
Transportation and communications	551
Professional, administrative and other services	286
Other	84
	119 814
Operating results	11 577
Financial expenses	(20 398)
Results before appropriation	(8 821)
Appropriation from General Fund	8 821
Net income	-

Properties Fund
Excess
Year ended December 31

	(in thousands of dollars)
	1999
Net transfer of capital assets	**110 098**
Add	
Repayment of long-term debt	**21 491**
Contribution to Capital Expenditure Fund	**2 918**
	24 409
Deduct	
Amortization	**32 110**
Balance, end of year	**102 397**

Properties Fund
Notes to financial statements
December 31, 1999

1- GOVERNING STATUTE AND NATURE OF OPERATIONS

Since January 1, the City has recorded operations related to the use of property and various facilities by municipal departments in the Properties Fund. Accordingly, capital assets were transferred from the Statement of Long-Term Assets.

2- SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies in effect are as follows:

a) Accounting method

Transactions are recorded using the accrual basis of accounting. The accrual basis of accounting recognizes revenues and expenditures in the period in which they occur, regardless of whether there has been a receipt or a payment.

However, interest expense on long-term debt and charges related to pension plans, vacations and sick leaves are accounted for on a cash basis.

b) Capital assets

Capital assets are accounted for at historical cost, which includes the discounts and long-term debt issue expenses required to finance the capital assets. They are amortized according to the straight-line basis over their estimated useful life of 25 years.

c) Excess

The method for recording capital expenditures is different from the one used for taxation purposes. Differences resulting from the different methods are presented separately under the item "Excess" as part of taxpayers' equity.

3- ACCOUNTS RECEIVABLE

(in thousands of dollars)

	1999
Rents	299
Other receivables	687
	986

An allowance for doubtful accounts of $0,6 million has been deducted from accounts receivable.

Properties Fund
Notes to financial statements (continued)
December 31, 1999

4- CAPITAL ASSETS
(in thousands of dollars)

	1999		
	Cost	Accumulation amortization	Net book value
Buildings	710,556	372,463	338,093
Filtration plants and pumping stations	203,869	180,854	23,015
Assets under capital leases	5,814	965	4,849
	920,239	554,282	365,957

5- LONG-TERM DEBT
(in thousands of dollars)

	1999
Bonded debt, at interest rates ranging from 4.75 % to 12.0 % maturing from 2000 to 2017	258,377
Obligations under capital leases at rates ranging from 6.71 % to 7.15 %	5,183
	263,560
Less : current portion of long-term debt	21,248
	242,312

COMPLEMENTARY STATISTICAL INFORMATION

Valuation

Equivalent taxable valuation

The City receives substantial revenues in respect of certain tax-exempt properties in the form of payments in lieu of taxes and compensation for services. In addition, certain other properties not entered on the City's valuation roll, such as telecommunication systems, gas distribution systems and electric power production, transmission or distribution systems, are subject to special taxation. For these reasons, the taxable valuation has been adjusted to reflect more accurately the property values upon which the City's revenues are based. The equivalent taxable valuation is set by adding to the taxable valuation the amount of tax-exempt valuation which, if taxed at current tax rates, would yield tax revenues equivalent to the payments in lieu of taxes and other revenues received by the City in respect of such properties. The following table sets forth the equivalent taxable valuation of the City properties at December 31.

(in thousands of dollars)	1999	1998
Taxable valuation (1)	45,114,013	44,918,089
Adjustment for tax-exempt valuation (2)		
Tax-exempt valuation subject to payments in lieu of taxes (3)	1,277,642	1,273,997
Tax-exempt valuation subject to compensation for services (4)	2,296,374	2,801,505
Valuation of social affairs and educational establishments (5)	3,556,437	3,470,100
Equivalent taxable valuation	52,244,466	52,463,691

(1) According to the three-year valuation roll for 1995-1997, tabled on September 14, 1994, updated September 14, 1999. This 1995-1997 valuation roll was renewed under provincial law for the 1998,1999 and 2000 fiscal years.
(2) Represents the valuation of properties which would yield equivalent taxation revenues equivalent to payments in lieu of taxes and other revenues received by the City for tax-exempt properties if such properties were taxable at current tax rates.
(3) Represents the valuation of real property owned by the Government of Canada, government agencies and the Government of Québec which are subject to payments in lieu of taxes at normal real estate tax rates.
(4) Represents the equivalent valuation of cultural, recreational and religious establishments which are exempt from real estate taxes but are subject to compensation for services and the equivalent valuation of certain properties which, although not entered on the City's valuation roll, are subject to special taxation.
(5) Represents the equivalent valuation of social affaires and educational establishments which are exempt from real estate taxes but are subject to compensation.

Real Estate Valuation (in thousands of dollars)

Date	totale valuation	(6)	Taxable valuation	(6)	Adjustments for tax-exempt valuation	(7)	Equivalent taxable valuation
December 31, 1995	59,100,296	(8)	45,227,414		7,064,443		52,291,857
December 31, 1996	59,186,796	(9)	45,271,531		7,086,351		52,357,882
December 31, 1997	59,124,638	(10)	45,185,399		6,913,144		52,098,543
December 31, 1998	59,010,696	(11)	44,918,089		7,545,602		52,463,691
December 31, 1999	59,237,802	(12)	45,114,013		7,130,453		52,244,466

(6) According to the valuation roll filed during the year ended on the indicated date but applicable to the sudsequent year for tax assesment purposes. The valuation added by additional roles is not included in the figures shown in this schedule.
(7) These adjustments are based on payments in lieu of taxes and compensation for services, applicable to the year following the indicated date.
(8) According to the three-year valuation roll for 1995-1997, tabled on September 14, 1994, updated September 14, 1995.
(9) According to the three-year valuation roll for 1995-1997, tabled on September 14, 1994, and updated on September 14, 1996.
(10) According to the three-year valuation roll for 1995-1997, tabled on September 14, 1994, and updated on September 14, 1997. The three-year valuation roll for 1995-1997 was renewed under provincial law for the 1998 fiscal year.
(11) According to the three-year valuation roll for 1995-1997, tabled on September 14, 1994, and updated on September 14, 1998. The three-year valuation roll for 1995-1997 was renewed under provincial law for the 1999 fiscal year.
(12) According to the three-year valuation roll for 1995-1997, tabled on September 14, 1994, and updated on September 14, 1999. The three-year valuation roll for 1995-1997 was renewed under provincial law for the 2000 fiscal year.

Taxes Statistics

	1999	1998	1997	1996	1995
Evolution of Certain Taxation Rates					
Real estate taxes (per $100 of municipal valuation)					
Municipal taxes					
General real estate tax ($)	1,990	1,990	1,990	1,995	2,020
Surtax on serviced vacant lots ($)	1,990	1,990	1,990	1,995	2,020
Surtax on non-residential real estate properties ($)	0,170	0,170	0,170	0,250	0,579
Water-rate and services tax					
Water based on rental valuation					
Commercial, industrial and other premises (1)	8,89%	8,89%	8,89%	8,89%	8,89%
Metered water (per cubic metre) ($)	0,220	0,220	0,220	0,220	0,220
Business tax					
Based on rental valuation – General rate	12,99%	12,99%	12,99%	12,99%	12,99%
Monthly interest rates on all amounts due to the City	0,75%	0,75%	0,75%	0,75%	0,75%
Penalty rate	0,41%	0,41%	0,41%	0,41%	0,41%
Aggregate taxation rates (2) ($)	2,4109	2,4064	2,4021	2,4198	2,4298
Levy and Collection of Real estate Taxes including Local Improvements Assesments					
Current levy ($000)	950 022	945 964	946 911	969 325	1 014 827
Total levy ($000)	943 501	929 868	916 986	945 008	991 561
Current taxes collection ($000)	919 481	915 699	914 813	926 461	963 471
Total taxes collection ($000)	942 235	930 953	929 131	956 128	1 003 541
Current taxes collection	96,79%	96,80%	96,61%	95,58%	94,94%
Levy and Collection of Water-Rate and Services Tax and of Business Tax					
Current levy ($000)	402 420	393 452	387 436	385 582	365 632
Total levy ($000)	402 108	389 233	381 716	382 913	364 757
Current taxes collection ($000)	384 642	371 981	366 712	361 190	344 819
Total taxes collection ($000)	402 794	382 256	377 545	371 671	359 086
Current taxes collection	95,58%	94,54%	94,65%	93,67%	94,31%

(1) The water-rate and services tax is based on the rental valuation roll tabled.

(2) The 1999 rate is non audited.

Combined Statement of Revenues and Expenditures
For the last five years (1)

(in thousands of dollars)

	1999	1998	1997	1996	1995
Revenues					
Taxes	1 354 068	1 322 574	1 315 463	1 329 779	1 382 948
Payments in lieu of taxes	212 199	208 880	187 965	188 732	197 311
Services provided to other municipal agencies	27 794	26 005	22 616	24 000	24 447
Other services provided	104 344	105 121	108 280	108 914	124 957
Other revenues	209 692	216 368	181 769	194 938	231 611
Transfers	104 145	135 138	116 348	96 819	68 743
	2 012 242	2 014 086	1 932 441	1 943 182	2 030 017
Expenditures					
General administration	251 205	232 174	221 447	199 998	193 349
Public safety	391 668	449 899	399 459	379 827	368 813
Transportation	336 580	316 970	355 681	304 168	328 344
Environmental health	181 569	173 833	166 574	154 805	150 910
Health and welfare	65 127	65 105	64 203	62 142	62 432
Urban development and improvement of the territory	113 816	114 980	98 527	133 012	155 587
Recration and culture	282 913	258 182	222 810	200 768	187 825
Material and technical support			106 742	178 083	225 240
Financial support	311 260	340 221	337 241	337 857	358 383
Contribution to special fund for local activities	46 832	46 832			
	1 980 970	1 998 196	1 972 684	1 950 660	2 030 883
Results before appropriations	31 272	15 890	(40 243)	(7 478)	(866)
Appropriations					
Working Capital Fund	255	(24)	54		139
Capital Expenditure Fund	(17 614)	(18 508)	(8 354)	(10 010)	(12 588)
Surplus	1 089	1 778	751		1 942
Reserves	10 836	5 741	50 368	49 417	45 032
Excess – Internal Service Fund	11 052	6 436	6 580		
	5 618	(4 577)	49 399	39 407	34 525
Net income	36 890	11 313	9 156	31 929	33 659

(1) Certain items for the years 1997, 1996 and 1995 were not restated to conform to the presentation of the current year.

Combined Statement of Surplus (Deficit)

For the last five years

(in thousands of dollars)

	1999	1998	1997	1996	1995
Balance, beginning of year	**8 954**	9 571	13 261	(2 260)	6 787
Add					
Net income for the year	**36 890**	11 313	9 156	31 929	33 659
Cancellation of appropriations from prior years	**438**	835	3 052	2 730	3 705
Reclassification of Net Equity in Long-Term Assets of the Urban Renewal Fund			4 349		
Write-off of accrued liabilities				17 800	
	37 328	12 148	16 557	52 459	37 364
Deduct					
Appropriations to income	**1 089**	1 778	751		1 942
Appropriations to reserves	**34 193**	10 987	19 496	36 938	44 469
	35 282	12 765	20 247	36 938	46 411
Balance, end of year	**11 000**	8 954	9 571	13 261	(2 260)

Combined Reserves and Reserved Funds
For the last five years

(in thousands of dollars)

	1999	1998	1997	1996	1995
RESERVES					
Contingencies	31 350	31 411	32 569	24 245	37 000
Next year's budget	18 000		2 000	24 000	14 300
Future operating expenditures	16 392	10 530	3 201	20 424	28 672
Paramunicipal corporations	4 500	4 500	4 500	4 500	4 000
Fringe benefits	3 773	3 773	3 799	4 041	4 479
Future capital expenditures	1 167	1 820	1 274	2 823	5 933
Partnership	478	707	939	973	2 000
Investments	294	294	342	440	500
Acquisition for non-payment of taxes				1 102	839
	75 954	53 035	48 624	82 548	97 723
RESERVED FUNDS					
Parks and playgrounds	4 888	3 438	3 226	3 422	2 018
Parking areas	826	708	652	562	510
	5 714	4 146	3 878	3 984	2 528

Combined Expenditures by Object and Appropriations

For the last five years

(in thousands of dollars)

	1999	1998	1997	1996	1995
Salaries	552 396	553 178	574 492	581 819	585 705
Fringe benefits	167 801	182 509	213 578	203 733	210 924
Transportation and communications	16 291	16 165	16 312	17 238	17 706
Professional, administrative and other services	63 010	61 379	66 598	52 812	69 520
Rental and maintenance	61 983	84 921	51 713	49 951	54 467
Amortization of capital assets	50 751	16 002	15 187	4 190	3 674
Consumer goods	94 984	92 238	95 517	92 647	98 992
Cost of sales – Real estate assets				1 804	916
Loss in value – Real estate assets				10 144	7 948
Financial expenses	311 260	340 221	337 241	337 857	358 383
Contribution to special fund for local activities	46 832	46 832			
Participation in deficit of paramunicipal corporations	17 300	26 065			
Contributions to Communauté urbaine de Montréal	452 632	445 017	472 076	477 945	482 003
Furniture, equipment and non-capitalized works	4 959	4 165	4 141	10 424	10 583
Doubtful accounts	9 339	17 943	19 232	18 035	18 887
Subsidies for restoration	31 051	24 191	30 276	20 142	19 532
Contributions and subsidies to paramunicipal corporations	18 873	18 756	22 706	21 741	35 762
Contributions to Association de bienfaisance et de retraite de la police de la Communauté urbaine de Montréal	10 431	10 431	11 281	14 360	15 910
Contested taxes	10 000	12 023	5 847	5 019	3 085
Contingencies	24 889	5 212	5 183	5 880	5 441
Miscellaneous grants	25 413	23 743	21 014	17 419	20 852
Pensions and annuities	2 214	2 194	6 576	6 459	6 434
Other	8 761	15 011	3 714	1 041	6 361
	1 980 970	1 998 196	1 972 684	1 950 660	2 030 883
Appropriations	(5 618)	4 577	(49 399)	(39 407)	(34 525)
	1 975 352	2 002 773	1 923 285	1 911 253	1 996 358

Capital Expenditure Fund
Statement of Activities
For the last five years

(in thousands of dollars)

	1999	1998	1997	1996	1995
PERMANENT FINANCING					
Long-term borrowings contracted	117 932	109 072	237 501	203 600	188 981
Contribution from General Fund	17 614	18 508	8 354	10 010	12 588
Promoters' contributions and other sources	7 004	4 738	5 062	2 205	2 699
Government subsidies	5 808	28 224	28 617	48 313	38 819
Contributions from Properties Fund	2 918				
Contributions from Rolling Stock and Workshops Fund	1 135	1 599			
Contributions from Saint-Michel Environmental Complex Fund	100				
	152 511	162 141	279 534	264 128	243 087
EXPENDITURES					
Capital assets					
Movable property	9 193	8 234	3 071	19 627	15 419
Real estate assets – Properties acquired for non-payment of taxes	148	131	2 196	248	4 078
Aqueduct, reservoirs and filtration plants	4 484	5 362	10 955	13 659	15 023
Sewers	8 599	10 235	18 084	38 787	28 406
Underground conduits (1)	940	893	2 052	1 903	1 203
Streets, sidewalks, public roads, bridges and tunnels	64 894	62 251	74 224	153 179	80 732
Public buildings and worksites	2 028	35 095	30 869	42 769	32 563
Miscellaneous acquisitions	11 467	3 278	3 234	653	2 721
Parks and playgrounds	9 557	14 679	9 657	13 936	8 401
Urban renewal and development	2 089	1 248	1 340	508	1 117
Carrefour des îles					33
Biosphere					1 878
Assets under capital leases			2 600		
Saint-Michel Environmental Complex Fund	2 090	2 469	3 551	11 393	3 280
Underground Conduits Fund	7 180	7 329	5 455	18 844	14 673
Rolling Stock and Workshops Fund	9 677	13 348	5 327		
Properties Fund	24 315				
	158 621	164 552	172 615	313 506	209 527
Advances and long-term loans					
Société de gestion Marie-Victorin	204				
Société immobilière du patrimoine architectural de Montréal					4 060
Société d'habitation et de développement de Montréal					33 500
	158 825	164 552	172 615	313 506	247 087
Real estate assets intended for sale	10 650		1 074		
	167 475	164 552	173 689	313 506	247 087
Transfer of real estate assets intended for sale as at January 1, 1997			47 011		
Non-capitalized expenditures	6 889	1 753			866
	174 364	166 305	220 700	313 506	247 953
Excess of permanent financing over expenditures (of expenditures over permanent financing) for the year	(21 853)	(4 164)	58 834	(49 378)	(4 866)
Balance of loan by-law closed recorded in the Sinking Fund	(8 018)	(17 593)			
Excess of permanent financing over expenditures (of expenditures over permanent financing), beginning of year	1 712	23 469	(35 365)	14 013	18 879
Excess of permanent financing over expenditures (of expenditures over permanent financing), end of year	(28 159)	1 712	23 469	(35 365)	14 013

(1) Underground conduits other than those of the Underground Conduits Fund.

Direct and Indirect Debt and Long-Term Unfunded Expenditures
For the last five years

(in thousands of dollars)

	1999	1998	1997	1996	1995
Gross direct debt					
Long-term debt	2 681 156	2 703 837	2 777 947	2 647 579	2 539 058
Long-term unfunded expenditures (anticipated financing)	28 159	(7 931)	(23 469)	35 365	(14 013)
Real estate assets of the Urban Renewal Fund to be financed in 1997				49 631	
	2 709 315	2 695 906	2 754 478	2 732 575	2 525 045
Less:					
Recoverable amounts applicable to redemption	402 293	441 607	457 484	467 154	435 323
Amounts available for redemption	841 561	767 955	742 971	662 370	578 463
	1 243 854	1 209 562	1 200 455	1 129 524	1 013 786
Net direct debt and long-term unfunded expenditures	1 465 461	1 486 344	1 554 023	1 603 051	1 511 259
Indirect debt					
Communauté urbaine de Montréal					
Long-term debt	1 254 167	1 312 742	1 283 156	1 289 986	1 311 255
Long-term unfunded expenditures	7 977	10 000	22 564	18 631	21 003
	1 262 144	1 322 742	1 305 720	1 308 617	1 332 258
Less:					
Recoverable amounts applicable to redemption	677 192	726 131	729 290	750 802	779 680
Amounts available for redemption	275 673	272 512	245 556	218 256	201 184
	309 279	324 099	330 874	339 559	351 394
Société de transport de la Communauté urbaine de Montréal					
Long-term debt	279 648	255 645	265 185	251 569	227 767
Long-term unfunded expenditures (anticipated financing)	17 782	37 943	17 118	(11 309)	25 264
	297 408	293 588	282 303	240 260	253 031
Less:					
Recoverable amounts applicable to redemption	149 834	153 267	163 507	161 259	156 624
Amounts available for redemption	41 808	35 590	21 127	11 538	17 579
	105 766	104 731	97 669	67 463	78 828
Paramunicipal corporations					
Long-term debt	418 903	422 057	442 719	418 881	383 719
Long-term unfunded expenditures	52 580	56 826	89 074	85 782	99 726
	471 483	478 883	531 793	504 663	483 445

Direct and Indirect Debt and Long-Term Unfunded Expenditures (Continued)
For the last five years

	(in thousands of dollars)				
	1999	1998	1997	1996	1995
Gross indirect debt and long-term unfunded expenditures	2 031 035	2 095 213	2 119 816	2 053 540	2 068 734
Net indirect debt and long-term unfunded expenditures	886 528	907 713	960 336	911 685	913 687
Gross direct and indirect debt and long-term unfunded expenditures	4 740 350	4 791 119	4 874 294	4 786 115	4 593 779
Net direct and indirect debt and long-term unfunded expenditures	2 351 989	2 394 057	2 514 359	2 514 738	2 424 926
Population (1)	1 037 205	1 016 376	1 016 376	1 018 000	1 018 000
Equivalent taxable valuation (page 87)	52 244 466	52 463 691	52 098 543	52 357 882	52 291 857
Net direct debt and long-term unfunded expenditures					
Per capita (in dollars)	1 413	1 462	1 529	1 575	1 485
% of equivalent taxable valuation	2,8%	2,8%	3,0%	3,1%	2,9%
Net direct and indirect debt and long-term unfunded expenditures					
Per capita (in dollars)	2 268	2 355	2 474	2 470	2 382
% of equivalent taxable valuation	4,5%	4,6%	4,8%	4,8%	4,6%
Financial expenses					
General Fund	234 489	284 435	287 417	292 894	314 153
Scientific Equipment Fund	5 195	5 494			
Internal Service Fund	51 884	5 754	6 169		
	291 548	295 683	293 586	292 894	314 153
Total revenues of General Fund	1 878 403	1 882 841	1 806 941	1 814 868	1 912 232
% of financial expenses	15,5%	15,7%	16,2%	16,1%	16,4%

(1) Population figures are taken from the Gazette Officielle du Québec for fiscal 1999, 1998 and 1997 and from Statistics Canada's 1996 and 1991 censuses for fiscal 1996 and 1995.

General Statistics

		1999	1998	1997	1996	1995
POPULATION (1)		1 037 205	1 016 376	1 016 376	1 018 000	1 018 000
TERRITORY AREA (km^2)		177	177	177	177	177
POPULATION DENSITY (Inhab. per km^2)		5 860	5 742	5 742	5 751	5 751

(1) Population figures are taken from the Gazette Officielle du Québec for fiscal 1999, 1998 and 1997 and from Statistics Canada's 1996 and 1991 censuses for fiscal 1996 and 1995.

EMPLOYEES (person)						
Directors		24	23	27	28	31
Executives		652	647	652	712	736
Professionals		653	641	643	616	619
Civil servants		3 158	3 251	3 357	3 530	3 628
Supervisors		238	245	269	270	271
Firefighters		1 541	1 529	1 577	1 633	1 623
Blue collar workers		3 475	3 571	3 812	4 059	4 045
		9 741	9 907	10 337	10 848	10 953

IMPROVEMENT OF THE TERRITORY						
Construction and renovation permits						
Residential sector	Number	2 881	2 357	2 467	3 402	2 104
	(in millions of $)	201	161	139	120	97
Commercial sector	Number	2 172	1 847	1 802	1 822	1 930
	(in millions of $)	289	286	211	253	227
Industrial sector	Number	242	197	217	229	219
	(in millions of $)	63	63	33	46	22
Government sector	Number	304	345	320	363	340
	(in millions of $)	146	194	147	128	250
	Number	5 599	4 746	4 806	5 816	4 593
	(in millions of $)	699	704	530	547	596

SANITATION					
Drinking water (in thousands of cubic metres)					
Annual consumption for the Ville de Montréal and served cities	649 763	633 067	618 112	638 125	647 348
Garbage disposal (in metric tons)					
Landfill	513 724	616 229	563 819	676 996	688 141

General Statistics (Continued)

MAJOR TAXABLE PROPERTIES

Identification	Address	Valuation roll (in millions)	Percentage (1)
		$	%
Place Ville-Marie	1-5 Place Ville-Marie	385,0	0,85
Complexe Desjardins	100-180 Ste-Catherine Street West	305,0	0,68
Tour I.B.M. – Marathon	1250 René-Lévesque Boulevard West	180,6	0,40
Molson Centre	1200 de La Gauchetière Street West	177,6	0,39
Téléglobe Canada	1000 de La Gauchetière Street West	165,0	0,37
Bell Canada	700 de La Gauchetière Street West	126,0	0,28
Place Versailles	7255-7525 Sherbrooke Street West	115,2	0,26
Place Victoria	800 Place Victoria	103,0	0,23
Banque Nationale de Paris	1981 McGill College Avenue	103,0	0,23
Palais des Congrès	200 de la Gauchetière Street West	99,2	0,22
Complexe Gare Centrale	895-945 de la Gauchetière Street West	96,4	0,21
National Bank	600 de La Gauchetière Street West	96,0	0,21
Casino de Montréal	1 Casino Avenue	88,6	0,20
Eaton Centre	705 Sainte-Catherine Street West	87,0	0,19
Mercantile Bank of Canada	752-772 Sherbrooke Street West	85,0	0,19
O.A.C.I.	999 University Street	84,5	0,19
Sun Life	1153-1155 Metcalfe Street	82,4	0,18
La Laurentienne	1100-1150 René-Lévesque Boulevard West	81,0	0,18
Maison des Coopérants	600 de Maisonneuve Boulevard West	80,0	0,18
Place Guy-Favreau	200 René-Lévesque Boulevard West	79,7	0,18

(1) Percentage applicable to total taxable valuation of $45,114.0 million from the assessment roll for 1995-1997, tabled on September 14, 1994, updated on September 14, 1999 and renewed for 1998, 1999 and 2000.

General Statistics (Continued)

MAJOR NON-TAXABLE PROPERTIES YIELDING PAYMENTS IN LIEU OF TAXES

Identification	Address	Valuation roll (in millions) $	Percentage (1) %
FEDERAL GOVERNMENT AND AGENTS			
Port of Montréal	Port of Montréal	226,2	1,60
Canadian Broadcasting Corporation	1400 René-Lévesque Boulevard East	103,0	0,73
National Defence	6565-6769 Notre-Dame Street East	63,8	0,45
GOVERNMENT OF QUÉBEC			
Société immobilière du Québec	1 Notre-Dame Street East	143,0	1,01
Société de la Place des Arts	105-175 Sainte-Catherine Street West	138,7	0,98
Édifice Parthenais	1730 Fullum Street	66,7	0,47
SOCIAL AFFAIRS NETWORK			
Hôpital Notre-Dame	1560 Sherbrooke Street East	130,2	0,92
Jewish General Hospital	4615 Côte Sainte-Catherine Road	94,9	0,67
Royal Victoria Hospital	687-835 Pine Avenue West	89,5	0,63
Hôpital Louis-H.-Lafontaine	7401-45 Hochelaga Street	85,9	0,61
Hôpital Sainte-Justine	3165-85 Côte Sainte-Catherine Road	82,0	0,58
Montreal General Hospital	1547-97 Pine Avenue West	79,0	0,56
Hôpital Maisonneuve-Rosemont	5305-5415 l'Assomption Boulevard	65,8	0,47
EDUCATION SECTION			
Université de Montréal	2920 Édouard-Montpetit Boulevard	229,6	1,63
McGill University	677-961 Sherbrooke Street West	194,2	1,37
Université du Québec à Montréal	400 Sainte-Catherine Street East	122,6	0,87
Université du Québec à Montréal	200 Sherbrooke Street West	88,3	0,63
McGill University	455-551 Pine Avenue West	78,6	0,56
McGill University	3644-90 Peel Street	74,7	0,53
École des Hautes Études Commerciales	3000 Côte Sainte-Catherine Road	72,6	0,51

(1) Percentage applicable to total tax-exempt valuation of $14,123.8 million from the assessment roll for 1995-1997 tabled on September 14, 1994, updated on September 14, 1999 and renewed for 1998, 1999 and 2000.

General Statistics (Continued)

PROPERTIES GENERATING HIGHEST REVENUES FROM TAXATION

Identification	Address	Revenus (1) (In millions)	Percentage (2)
		$	%
Place Ville-Marie	1-5 Place Ville-Marie	19,4	1,46
Complexe Desjardins	100-180 Ste-Catherine Street West	13,6	1,02
Tour I.B.M. – Marathon	1250 René-Lévesque Boulevard West	9,5	0,71
Molson Centre	1200 de La Gauchetière Street West	9,2	0,69
Teleglobe Canada	1000 de La Gauchetière Street West	8,3	0,62
Bell Canada	700 de La Gauchetière Street West	7,0	0,53
Place Versailles	7255-7525 Sherbrooke Street East	6,3	0,47
Banque Nationale de Paris	1981 McGill College Avenue	5,5	0,41
Sun Life	1153-1155 Metcalfe Street	5,2	0,39
Société du Palais des Congrès	200 de la Gauchetière Street West	5,2	0,39
National Bank	600 de La Gauchetière Street West	5,2	0,39
Place Bonaventure	800-900 de La Gauchetière Street West	4,8	0,36
Eaton Centre	705 Sainte-Catherine Street West	4,7	0,35
Casino de Montréal	1 Casino Avenue	4,6	0,35
Complexe Gare Centrale	895-945 de La Gauchetière Street West	4,6	0,35
La Laurentienne	1100-1150 René-Lévesque Boulevard West	4,3	0,32
Maison des Coopérants	600 de Maisonneuve Boulevard West	4,2	0,32
Place Montréal Trust	1600-1800 McGill College Avenue	4,2	0,32
Maison du Trust Royal	630 René-Lévesque Boulevard West	4,1	0,31
Place Victoria	800 Place Victoria	4,0	0,30

(1) These amounts are made up of business taxes, water-rate and services taxes, real estate taxes and the surtax on non-residential properties.

(2) Percentage applicable to budgeted revenues of $1,330.0 million for 2000.